

# Umzumbe Annual Report

2017/18 Financial Year



**Umzumbe**  
MUNICIPALITY

DEVELOPMENT PLANNING UNIT

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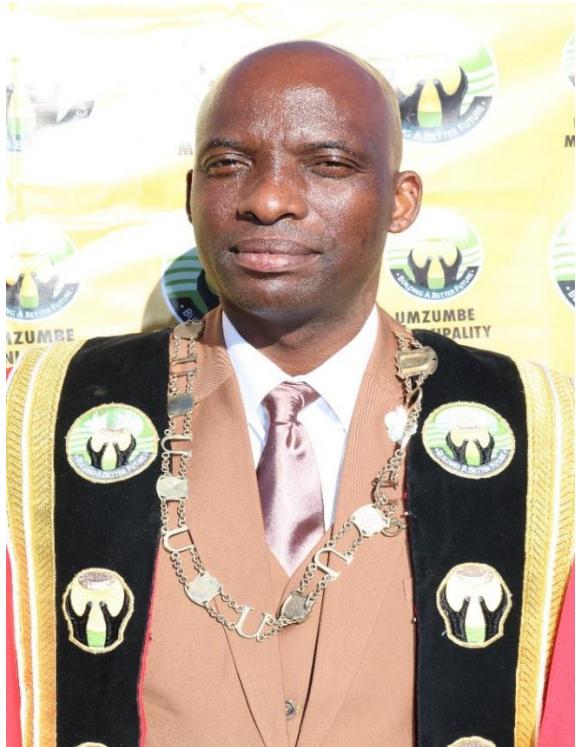
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## 1. CHAPTER 1

### 1.1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

#### Mayor's Foreword and Executive Summary



It is with pleasure that I greet all Umzumbe citizens in the name of service delivery. As the Mayor of Umzumbe Municipality, I am compelled by the Municipal Systems Act No.32 of 2000, Chapter 6, and Section 46 which specifically require the municipality to prepare for each financial year an Annual Report that will look at the performance of the municipality in all set targets. As I table this Annual Report I am reminded that the municipality is mandated to delivery on the mandate of voters and as public representatives we must be driven by that notion. We have just concluded a second financial year in office after being sworn in from August 2016 and we were delighted to receive the fourth Clean Audit from the Auditor General.

This was a clear indication that we are complying with standards of financial management.

Public Participation is a cornerstone of any government in the developing world. As for Umzumbe Municipality we have embarked on extensive public participation in the form of Mayoral Imbizos, Budget Road Shows and recently we have embarked on the quarterly community meetings led by the office of the Speaker. These meetings have indicated to us that when communities are consulted a lot of achievements can be recorded. I am also pleased to report that our ward committee system has been one of the most effective in the province and we are working tirelessly in improving those few grey areas who were identified in our Back to Basic Reports.

Similarly, our interaction with various stakeholders have brought about much needed collaboration in service delivery. Our Operation Sukuma Sakhe have made it possible for us to forge relations with government departments such as Social Development, Home Affairs, SASSA, Health and Education. Our intergovernmental relations have yielded results that saw us handing over two houses in ward 12 to the destitute families.

The United Nations Sustainable Developmental Goals has emphasized the importance of infrastructure development. As our response to that call we have handed many infrastructural projects to our community namely Ntatsana Access Road, Maqongqo Access Road, Ntatsana Bridge and Mfazazana Bridge to name just few. Our electrification projects are also progressing well; however, we cannot deny the fact that road infrastructure challenges are still troublesome and we need double our efforts in addressing that particular challenge.

Housing is also a basic need and we are working with Human Settlement to provide descent houses for our people. Even though we are

happy that people have received houses we are equally concern that weather conditions have a negative impact to the community and it is increasing housing demand which sometimes impossible to match. Our Disaster Management Unit have played a significant role in ensuring that communities are educated on natural disasters while also providing aid whenever they are called to do so.

The development of small medium businesses is still our priority going forward with the policy of Radical Economic Transformation adopted by the governing party in South Africa. Our Local Economic Development Unit has been in the forefront in ensuring that our communities are developed economically. We must be aware that without economic emancipation our democracy is incomplete.

Education will forever be our priority especially in building Umzumbe that is possessing all necessary skills. We have continued with our tertiary registration programme to those first-year students from Umzumbe whose families cannot afford to pay registration fees. We are also on the process of improving our bursary scheme to cater for much needed skills especially those who will assist the municipality in advancing its developmental mandate.

In conclusion I would like to thank the Council and Management for their undivided support in ensuring that Umzumbe Municipality delivers to the people as per our promise when launched the manifesto of the ruling party in 2016. We are inspired by Chapter 13 of the National Development Plan which talks about building a capable state. We can only make Umzumbe Municipality a capable state organ if we work together and more importantly prioritizing the needs of the people of Umzumbe. Our aim of strengthening our relations with all community structures and more importantly Amakhosi who are an important stakeholder of Umzumbe Municipality. Phambili ngentuthuko

Ngiyabonga kakhulu

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Cllr S.R. Ngcobo

Mayor: Umzumbe Municipality

## 1.2 Municipal Managers Overview

### MUNICIPAL MANAGER'S OVERVIEW 2017/18 FINANCIAL YEAR



Once again, we have reached that time of the year where we have to reflect on the activities that we had to undertake to respond to the needs of the people of Umzumbe Municipality listed in our IDP. In 2016 the new Council adopted the Integrated Development Plan (IDP) which came with reviewed developmental mandates that were going to be implemented by the municipality. The political and administrative wings jointly committed to push the implementation of all community needs from our IDP. As an Accounting Officer I am tasked to provide the strategic direction that will see the Council fulfil its mandate to change the lives of the people.

Chapter 13 of the National Development Plan is emphatic on the building of the capable state in which leadership forms a nucleus of that capable state. The Council had to be on its toes to ensure that all top management positions are filled as a matter of urgency. I am thankful and fortunate to be given an opportunity to lead the team of capable leaders whose task is to assist me in fulfilling the mandate bestowed to me as the Municipal Manager. Together with this team we have achieved four Clean Audit Opinions from the Auditor General. This has been a result of the team work from everyone working at Umzumbe Municipality as well as meticulous oversight from the Council.

In this financial year the municipality has set targets that were implemented by respective departments in the municipality. While implementing those targets they had to swim against the heavy tides that came after the introduction of Municipal Standards of Chartered Accounts (MSCOA). The challenges that came with the system caused some panic to everyone in the municipality. Even though there are those challenges I must thank everyone especially the Finance Department for championing MSCOA process successfully. As we move with this programme we are learning every day and our financial management will be strengthen drastically.

We are winding down the construction of our State of the Art, the second in the district which is Inkanini Sport Centre. This project is MIG funded and I must also express my jubilant about the handover of Ntatshana Access Road in ward 7 and one of the best bridge to be constructed by a rural municipality in the same area. This road was designed from nowhere and has played an important road in strengthening our road infrastructure. We ended the financial year with the beginning of Ngazolo Access Road in ward 2. Upon completion this will see Umzumbe Municipality having a tarred road for the first

time. We are also progressing well with our electrification projects with the Department of Energy. For those households without electricity we will continue with the provision of gel, but we are working very hard to reduce the backlog of electricity with the assistance of Department of Energy.

Our Local Economic Development (LED) within the municipality is the key in addressing the governing party's resolution on Radical Socio-Economic Transformation. Through the process of uplifting SMMEs and Cooperatives we are confident that our people will be benefit from the municipality's mandate of making a better life for everyone. Our LED is also at the centre of addressing poverty challenges that are confronting the people of Umzumbe.

The opening of Mathulini Mall was another milestone that has to be celebrated. It has contributed immensely in reducing unemployment at Umzumbe while creating economic opportunities for our people.

The Municipality is continuing to encourage public participation through Mayoral Izimbizo, Budget Road Shows, SPLUMA workshops, Speaker's meetings and other sectoral engagements. This has been a pillar of our strength in engaging community structures as well as community members. The Mayoral Slots in three (3) radio stations has generated constructive community views that has shaped our decision making in the municipality. Our Youth and Special Programmes continued to shape the lives of our community through programmes like Tertial Registration Assistance, Mayoral Games, HIV programmes, Right of a Child and Gender Programmes.

Our Community Services Department has also assisted us in great deal addressing social ills through our moral regeneration Programmes, Dress a Child Campaign as well Seed Distribution Programme.

It is also a task of the Accounting Officer to ensure that the organisational transformation is achieved through skills development of the workforce. As a result, our Corporate Services Department has through our Workplace Skills Development Programme (WSP) trained the staff as well as Councillors on different educational skills. Having said all as asserted above one cannot conclude without siting challenges that the municipality has been faced with which are the community protests in terms of the business people of Umzumbe in stopping the project that are meant to the provision of basic services to the community. These actions do have a bearing on the expenditure of municipal conditional grants.

As I conclude it will be proper for me to thank the Mayor, Deputy Mayor, Speaker and the entire Council for supporting me while I ensure that the Council decisions are implemented and accounted for. My gratitude also goes to the Management and staff for their hard work in building what is known as Umzumbe Municipality whose reputation is known in different spheres of governments. Council Committees, Amakhosi and community structures are very important in ensuring that community needs are taken care of and that is greatly appreciated.

As I lead this municipality I will ensure that accountability, transformation, monitoring and evaluation is the bible of everyone who is employed by Umzumbe Municipality.

Yours in service delivery

---

Ms N.C. Mgijima

Municipal Manager: Umzumbe Municipality

## **1.3 Municipal Functions, Population and Environmental Overview**

### **Municipal Functions**

Umzumbe Local Municipality has the function and powers assigned to it in terms of sections 156 and 229 of the Constitution of the Republic of South Africa. The Municipal Structures Act of 1998 makes provision for the division of powers and functions between the district and local municipalities. It assigns the day to day service delivery functions to the local municipalities.

The Provincial MECs are empowered to adjust these powers and functions according to the capacity of the municipalities to deliver services. With regard to the above statement for instance, the function of Water and Sanitation as well as the maintenance of water infrastructure is the function of the district municipality.

Whilst the Local Municipality is responsible for day to day Planning, it is also in liaison with the District for advice and support. Amongst other things the powers and functions of the municipalities are as indicated in the table below.

UMZUMBE MUNICIPALITY FUNCTIONS	DISTRICT FUNCTIONS	SHARED SERVICES
<ul style="list-style-type: none"> <li>• Building Regulations</li> <li>• Pontoons, Ferries, Jetties, Piers and Harbours</li> <li>• Storm Water Management Systems in Built up Areas</li> <li>• Trading Regulations</li> <li>• Billboards and the Display of Advertisements in Public Places</li> <li>• Cleansing</li> <li>• Control of Public Nuisances</li> <li>• Street Lighting</li> <li>• Traffic and Parking</li> <li>• Control of Undertakings that sell Liquor to the Public</li> <li>• Facilities for the accommodation, care and burial of animals</li> <li>• Fences and Fencing</li> <li>• Licensing and Control of Undertakings that sell food to the public</li> <li>• Local Amenities</li> <li>• Local Sport Facilities</li> <li>• Municipal Parks and Recreation</li> <li>• Noise Pollution</li> <li>• Public Places</li> <li>• Street Trading</li> <li>• Municipal Planning</li> <li>• Municipal Public Works</li> <li>• Municipal roads</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal Health Services</li> <li>• Water and Sanitation services</li> <li>• Air Quality Management</li> </ul>	<ul style="list-style-type: none"> <li>• Fire Fighting Services</li> <li>• Local Tourism</li> <li>• Municipal Airports</li> <li>• Municipal Public Transport</li> <li>• Cemeteries, Funeral Parlours and Crematoria</li> <li>• Markets</li> <li>• Municipal Abattoirs</li> <li>• Refuse Removal, Refuse Dumps and Solid Waste disposal</li> <li>• Disaster Management services</li> </ul>

Listed below are the current functions performed by the municipality:-

- Building Regulations
- Storm Water Management System in Built up Areas
- Trading Regulations
- Refuse Removal
- Traffic (in process)
- Fences and Fencing
- Local Sports Facilities
- Public Places
- Local Economic Development
- Development Planning
- Disaster Management
- Fire and Rescue Service

## 1.4 Demographics

The latest 2016 community survey indicates that Umzumbe municipality's total population is 151676 people, where males account for 47.8% of the population and the female is 52.2%. The most populated ward in the municipality is ward 3 with 10094 people and ward 5 with a total population of 9517 people.

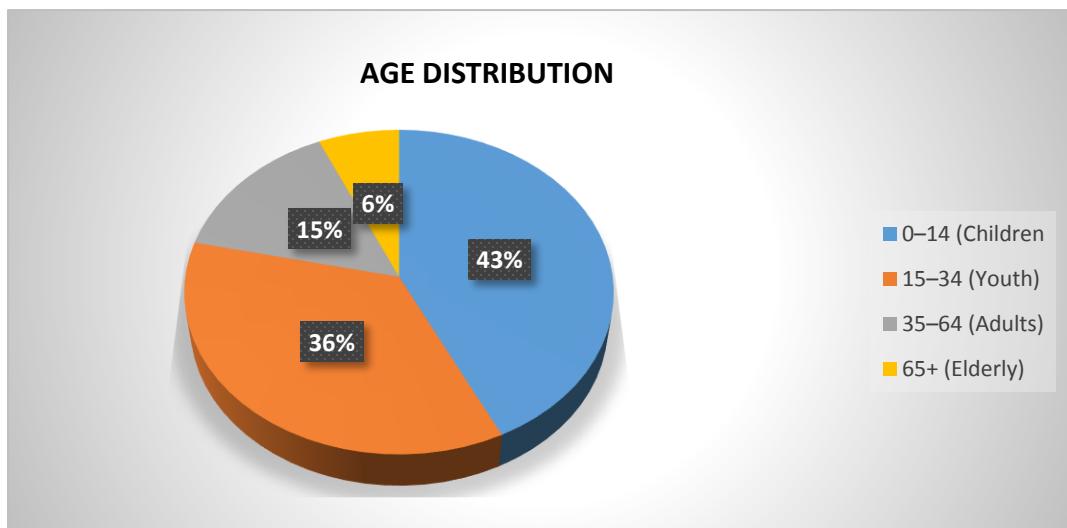
KZN213: Umzumbe	Male	Female	Total
	72501	79175	151676

*Source: Stats SA Community Survey 2016*

Ward Number	Population
Ward 1	7,681
Ward 2	5,977
Ward 3	10,094
Ward 4	9,090
Ward 5	9,517
Ward 6	6,870
Ward 7	8,935
Ward 8	6,104
Ward 9	8,624
Ward 10	6,742
Ward 11	7,116
Ward 12	6,699
Ward 13	6,730
Ward 14	7,740
Ward 15	8,243
Ward 16	8,504
Ward 17	5,856

Ward 18	7,733
Ward 19	7,135
Ward 20	8,017

Source: Stats SA Community Survey 2016



Source: Stats SA Community Survey 2016

## 1.5 Service Delivery Overview

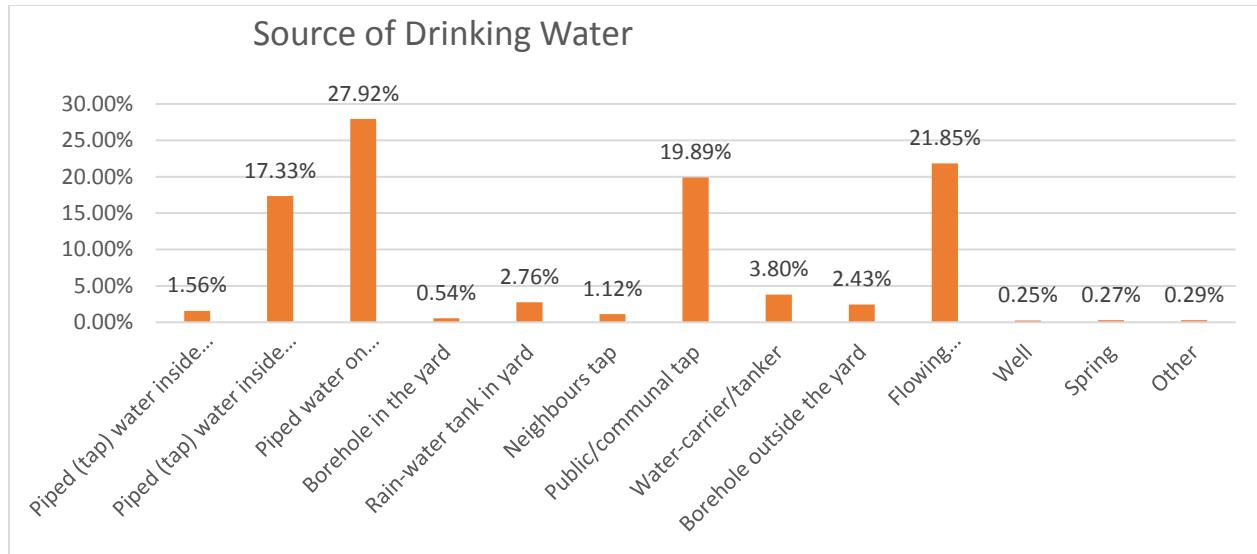
### 1.5.1 Water

The UGU District Municipality is the Water Services Authority and the Water Service Provider for the District. They are responsible for the provision of water and sanitation services within the district. The basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.

The Strategic Integrated Projects (SIPs) programme identified projects by Governance aimed at fast tracking development and growth. Mhlabatshane Dam is a project within the district aimed at improving access to water for the community's. UGU District Municipality in partnership with Umgeni Water, are working together to ensure operation of the Dam and improved access to water.

Mtwalume, Ndelu and Mhlabatshane water supply zones falls within Umzumbe Municipality. The Ndelu supply zone is supplied by the Ndelu waterworks from the Umzumbe River and will also be extended in future to include the areas of Ndelu, Qwabe N, Kwa Hlongwa and parts of Mabheleni and Mathulini of the Umzumbe tribal authority area.

Water Sources	Households
Piped (tap) water inside the dwelling/house	1.56%
Piped (tap) water inside yard	17.33%
Piped water on community stand	27.92%
Borehole in the yard	0.54%
Rain-water tank in yard	2.76%
Neighbors tap	1.12%
Public/communal tap	19.89%
Water-carrier/tanker	3.80%
Borehole outside the yard	2.43%
Flowing water/stream/river	21.85%
Well	0.25%
Spring	0.27%
Other	0.29%

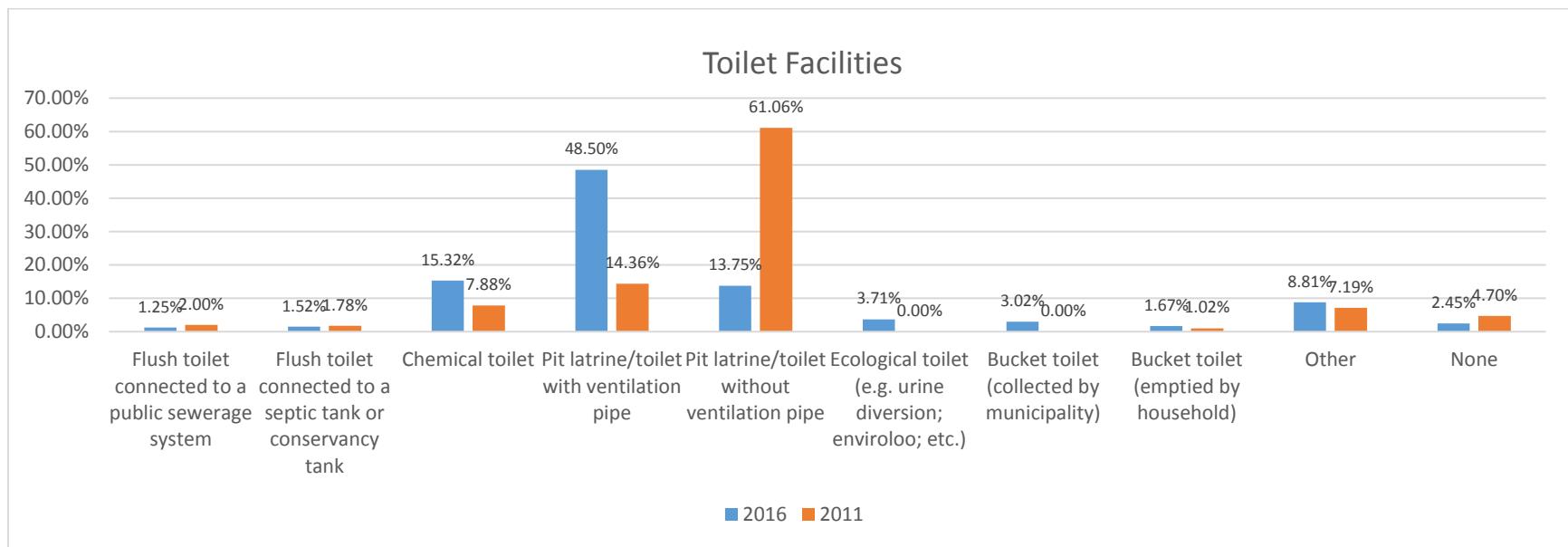


**Source:** Stats SA Community Survey 2016

#### Sanitation

Access to Sanitation	Households
Flush toilet connected to a public sewerage system	1.25%
Flush toilet connected to a septic tank or conservancy tank	1.52%
Chemical toilet	15.32%
Pit latrine/toilet with ventilation pipe	48.50%
Pit latrine/toilet without ventilation pipe	13.75%
Ecological toilet (e.g. urine diversion; envirolooo; etc.)	3.71%
Bucket toilet (collected by municipality)	3.02%
Bucket toilet (emptied by household)	1.67%
Other	8.81%
None	2.45%

**Source:** Stats SA Community Survey: 2016



Source: Stats SA Community Survey 2016

### **1.5.2 Local Economic Development (LED)**

The municipality has embarked on a gender approach to LED in order to bridge the gender gap of which Women are 2% more than men in numbers. The strong emphasis on empowering women is hoped to boost this sector due to the resilient nature and being on the receiving end of poverty of women as opposed to men. In boosting tourism the municipality has in the past financial year committed to developing Ntelezi Msane heritage site.

The other tourism areas within Umzumbe Municipality are the Msikazi Mountain, Sipofu Mountain, Umthwalume Mission Cluster, Sivivane Sika Shaka, Prophet Isaiah Shembe's Mission Centre, Gobela Arts and Crafts Centre, Turton Beach, Itshe la Maria Stone, Source of Umthwalume river, Initiation of Traditional Healers Place, KwaNdelu Landscape, Bhekumesiya (Shembe) Village and Summery of tourism products in Umzumbe Municipality. The Local Economic Development Strategy will assist the municipality in achieving its full economic potential whilst eradicating poverty and unemployment.

### **1.5.3 Housing**

Access to adequate housing is still a challenge to the most of the people within the municipality. A significantly large population resides within privately owned land. The Department of Rural Development and Land Reform introduce a plan to speed up the housing delivery process. The plan calls for a partnership between the local municipalities, Department of Human Settlement and Department of Rural Development and Land Reform to in releasing land for housing development.

### **1.5.4 Roads**

As a municipality the projects were identified during the Public Participation events, Umzumbe Capital Investment Framework and Infrastructure Master Plan wherein they were prioritized and included in the IDP document as a planning tool.

Umzumbe Municipality has maintenance programme for the roads constructed by the municipality. Plant has been acquired to ensure proper maintenance and utilization of the municipal roads.

### **1.5.5 Storm Water Drainage**

Currently the storm water drainage within Umzumbe Municipality is through natural processes such as river streams.

### **1.5.6 Local Planning Approvals**

Umzumbe Local Municipality processes development applications in terms of the Spatial Planning and Land Use Management Act No 16 of 2013. The SPLUMA bylaws were adopted by council and Gazetted to assist the municipality in implementing the SPLUMA legislation. The wall-to-wall scheme was adopted by council and will be gazetted.

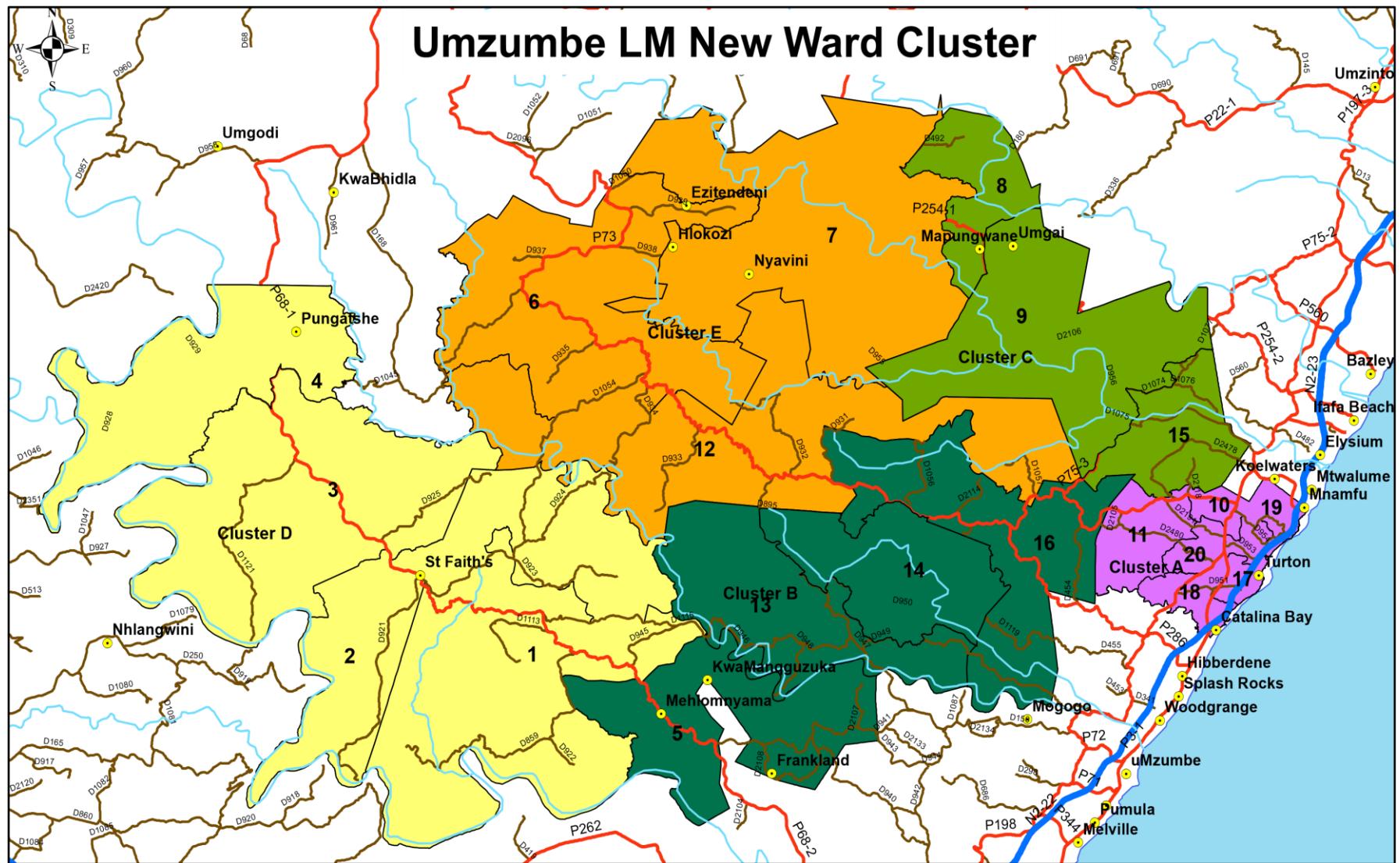
The Umzumbe wall-to-wall scheme will assist the municipality in:

- providing develop land use management systems in line with the Spatial Planning and Land Use Management Act principles;
- incorporate indigenous/traditional methods of land use allocation and land use;
- priority's Environmental and sector plans (e.g. coastal, flood lines, biodiversity)
- Identify areas in need of environmental protection.

The Municipal Planning Tribunal was established in terms of Section 35 of SPLUMA, with the municipality opting for a Joint Municipal Planning Tribunal with Umdoni Local Municipality. Mr. MP Phosa is delegated as the Municipal representative in the Tribunal as well as Authorized Officer in terms of Section 35(2) of SPLUMA. The Tribunal Sits monthly to assess and approve applications from the Northern Municipalities and currently comprises of four members.

The third of August 2016 saw the re-demarcation of municipal wards to accommodate for an additional ward, whilst two voting districts were lost to Ubululebezwe Local Municipality.

The map below indicates the new clusters and ward boundaries.



The re-demarcation of wards not only impacted on the population of Umzumbe but on the total number of settlements present with the area. The table below depicts the settlements which were not affected by the re-demarcation.

Settlement Type	Ward No.
KwaMaqhikizane	8
Mthwalume	19
Ngomakazi	
Maqikizane	
Nyavini	10
Esinyameni	8
Gugha	8
Gobhamehlo	8
Mgezankamba	8
Ngwenda	8
Thuthuka	
Umzumbe NU	
Umgayi	9
Mbiyane	9
Gubhuza	7
The Ridge Farm	8
Umgai	12
Mhlabatshane	4
KwaNtumeni	3
Eluphepheni	3
Imfomfo	
Bhekameva	3
Nomageje	3
KwaMagugu	3
Sosibo	3
KwaNjongoma	3
Mthaleni	2
Oshamba	2
Wowana	2
Dunusa	2
Nhlengesi	2
Deyi	2
Dunuse	2

Settlement Type	Ward No.
Phongolo	2
Goba	2
Thembelihle	2
Ngcengesi	2
Qoloqolo	11
Inkulu	11
KwaBombo	11
Qurha	11
Isangqu	11
Ntabazu	11
Sipofu	11
Nyonyana	11
Inyonyana	11
Ndunge	16
Ntengela	16
Gubhugubhu	
Berea	
Nkangala	
Nomakhanzana	15
Dingimbiza	15
Mnamfu	19
Isiqungeni	18
Amahwaqa	18
Mpikanisweni	
Nhlalwane	3
Ncazolo	2
Odeke	14
Ixopo	13
Mbonje	
Mvuzane	1
KwaDweshula	1
Gcwalemini	1
Sunduza	1
Ngoleleni	11
Cathula	1
Dibi	1
Rosettenville	16

<b>Settlement Type</b>	<b>Ward No.</b>
Cabhane	16
Velumemeze	16
Gqayinyanga	16
Nkalokazi	7
Ndumakude	14
Hlanzeni	1
Mayekeni	1
Mawuleni	1
Mehlomnyama	5
Gumatane	2
Mathulini	18
Thaleni	2
Ndlovuzulu	2
Thuntutha	
Enkulu	
Ncane	

## 2. CHAPTER 2: GOVERNANCE

### 2.1 COMPONENT A:

#### 2.1.1 Political and Administrative Governance

##### Introduction to Political and Administrative Governance

Umzumbe Municipality Political governance is led by the Mayor who is the head of the political side, chairing the Executive committee as well as the Finance portfolio committee. As a municipality we pride ourselves as having a female Deputy Mayor and Speaker. The Deputy Mayor is a member of the Exco and serves as a portfolio chair for the Human Settlement and Infrastructure Committee.

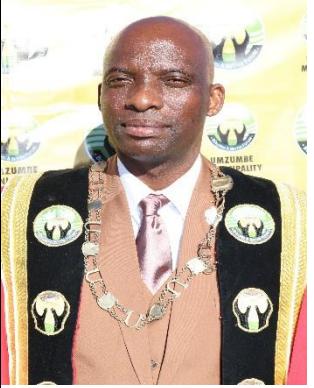
The Speaker of the council chairs the council meetings of the municipality as well as chairing the Youth Committee of the council. The council has an executive committee made up of eight (8) full time councilors. In dealing with oversight role, the council has a Municipal Public Accounts Committee (MPAC) made up of five (5) non- executive committee members. There are five (5) portfolio committees: Human Settlement and Infrastructure Portfolio, Planning and LED Portfolio, Social and Community Services Portfolio, Finance Portfolio and Corporate Services Portfolio Committees.

In assisting the MPAC and the Council, an external Audit Committee through a shared services approach has been established.

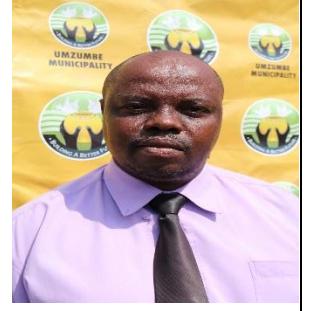
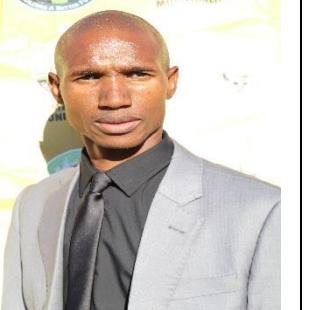
The Audit Committee comprises of the following members;

NAME OF MEMBER	QUALIFICATIONS	APPOINTED
Mr. Paul Preston	<ul style="list-style-type: none"><li>• BA LLB</li><li>• ND: Road Transportation Management</li></ul>	2016
Ms. Chantel Elliott	<ul style="list-style-type: none"><li>• B.Com (Hons), CA(SA)</li><li>• BCompt</li><li>• Postgrad Diploma: V.A.T</li><li>• Advanced Certificate: International financial Reporting standards</li></ul>	2016
Mr. Innocent Bheki Dladla	<ul style="list-style-type: none"><li>• Master's in Business Administration</li><li>• Hon. Human Resources</li><li>• B Admin Degree</li><li>• Graduate Diploma in Mining Engineering</li></ul>	2016
Ms. Bongeka Jojo	<ul style="list-style-type: none"><li>• B Com: CA(SA)</li></ul>	2016

### 2.1.1.1 Political Governance

	<b>POLITICAL STRUCTURE</b> <p><b>MAYOR</b></p> <p>Cllr S.R. Ngcobo</p> <p>EXCO. Chair and Head</p> <p>FBCC and Finance</p> <p>Portfolio Committee</p>	<b>Function</b> <p>In terms of Section 49 of Municipal Structures Act and Regulations 117 of 1998 the Executive Mayor presides at meetings of the executive committee; and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by municipal council or the executive committee.</p> <p><b>S56(2): The executive mayor must:</b></p> <ol style="list-style-type: none"> <li>Identify the needs of the municipality,</li> <li>Review and evaluate those needs in order of priority,</li> <li>Recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and</li> <li>Recommend or determine the best way, including partnerships and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.</li> </ol> <p><b>MFMA S54:</b></p> <p>Must provide general political guidance over the fiscal and financial affairs of the municipality;</p>
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		<p>In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act, the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;</p> <p>Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;</p> <p>Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and</p> <p>Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.</p>
	<p><b>DEPUTY MAYOR</b>  Cllr M.P.L. Zungu  Head: Human Settlement and Infrastructure Portfolio Committee</p>	<p>The Deputy Mayor exercises the powers and performs the duties of the mayor if the mayor is absent or not available or if the office of the mayor is vacant. The Mayor may delegate duties to the Deputy Mayor (Municipal Structures Act 1998, S49).</p>
	<p><b>SPEAKER</b>  Cllr M.P. Shozi  Chairperson of Council</p>	<p>In terms of Section 37 of the Municipal Structures Act and Regulations 117 of 1998 The Speaker of a Municipal Council-</p> <p>Presides at meetings of the council.</p> <p>Performs the duties and exercises the powers delegated to the speaker in terms of section 59</p>

		<p>of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).</p> <p>Must ensure that the council meets at least quarterly;</p> <p>Must maintain orders during meetings</p> <p>Must ensure compliance in the council and council and council committees with the Code of Conduct set out in Schedule 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000; and</p> <p>Must ensure that the council meetings are conducted in accordance with the rules and orders of the council.</p>
	<p><b>EXECUTIVE COMMITTEE</b>  <b>Cllr M.Z. Luthuli</b>          Development Planning and Local Economic Development Portfolio</p>	<p>Member of Exco and Chairperson of the Development Planning and LED Portfolio oversees all matters within the section.</p>
	<p><b>Cllr M.S. Mdletshe</b></p>	<p>Member of Exco and Chairperson of Youth Committee.</p>

	Cllr N.Y. Mweshe Corporate Services Committee portfolio	Member of Exco and Chairperson of Corporate Services Portfolio Committee.
	Cllr B.B. Luthuli	Member of Exco and member of the Planning and LED Portfolio Committee.
	Cllr P. Zamisa Social and Community Services Portfolio	Member of Exco and Chairperson of Social and Community Services Committee.

## COUNCIL

The Local Government Elections took place on 03 August 2016, which saw the inauguration of a new council and new executive council. The total number of councillors increased from 38 Councillors in the previous financial year to 39 councillors in the 2016/17. The council comprises of 19 females and 20 males for the year ended. Umzumbe Municipality experienced a decline in population due to the re-demarcation of the Municipal Wards, with 2 Voting districts taken to Ubululebezwe Local Municipality. However the municipality gained an additional ward making the total number of wards 20. Twenty (20) of them are ward Councillors and Nineteen (19) are Proportional Representatives.

Out of 39 Councillors, 30 belong to the ANC, 6 IFP, 1 EFF, 1 PAC and 1 DA. PAC's Pr. Councillor Z Cele was replaced by Councillor Ngubane. Councillor S.T Gumede resigned from the ANC and was replaced by Councilor R Mkhize.

### **POLITICAL DECISION-TAKING**

Political recommendations are taken at the caucus level of each represented political party. This is done when the scheduled meetings of the Council meeting are to be convened. Each represented political party caucus before the commencement of the Council meeting be it special or ordinary meeting. After the council meeting a resolution register is compiled and the accounting officer oversees the implementation of the council resolution for reporting in the next council meeting of the Council. It is important to indicate that all the council resolutions have been implemented.

### **TRADITIONAL LEADERS**

In compliance with section 81 of the Municipal Structures Act (Act No. 117 of 1998), the municipal council has included 7 out of 14 traditional leaders to sit in the Municipal Council. One traditional leader sits in the Municipal Executive Committee and all of them sit in portfolio committees. The table below indicate portfolios assigned to each traditional leader.

NAME	COMMITTEE	TRADITIONAL COUNCIL
Inkosi B Radebe	Human Settlements and Infrastructure	Hlubi Traditional Council
Inkosi B.S Cele	Youth Committee and MPAC	Cele P Traditional Council
Inkosi N.W Mbhele	Finance	Mabheleni Traditional Council
Inkosi R.S Shinga	Planning and LED Committee	Ndalu Traditional Council
Inkosi S.C Gumede	Human Settlements and Infrastructure	Qwabe (P) Traditional Council
Inkosi Z.E Ngcobo	Social and Community Services	Nyavini Traditional Council
Inkosi Z.R Qwabe	Corporate Services Committee	Qwabe (N) Traditional Council

#### **2.1.2 Administrative Governance**

Administrative leg of the Council is led by the Accounting Officer and the managers reporting directly to her (section 56) with all the position being filled at this level of management. Each section 56 is responsible for the department as asserted above in the report. The second level of management is managers that report to the section 56 managers. This forms the extended top MANCO of the

municipality.

	<b>MUNICIPAL MANAGER :</b> <b>Ms N C MGIJIMA</b>	<p><b>Function</b></p> <p>The office of the Municipal Manager is responsible for the following services: <b>Development Planning and Local Economic Development, Communications, Mayoralty Youth Development and Special Programmes, and Internal Audit.</b></p> <p>Development Planning – functions are to drive the strategic planning of the municipality, spatial planning and Land Use Management, Geographic Information Systems and Performance Management System.</p> <p>Communications, Mayoralty, Youth Development and Special Programmes – main functions of the department are to plan, develop and implement strategies and projects in order to achieve a co-ordinated internal and external communication process, support the administrative functioning of the Mayor's Office and advance the interest of special groups and young people within Umzumbe.</p>
	<b>CHIEF FINANCIAL OFFICER:</b> <b>Mr K Audan</b>	<p>The Department is responsible for managing the financial administration of the municipality. It comprises sub departments i.e. <b>Expenditure and Assets, Budget, Treasury and Revenue and Supply Chain Management.</b></p>
	<b>DIRECTOR SOCIAL DEVELOPMEN T &amp; COMMUNITY SERVICES</b>  <b>:Mrs Lushaba</b>	<p>The Department comprises of two units namely, <b>Community Services and Disaster Management.</b> The unit facilitate with the upliftment of communities through poverty alleviation programmes, maintained/accessible government facilities and support given to households involved in natural disasters.</p>

	<b>DIRECTOR CORPORATE SERVICES:MR B G Nyuswa</b>	Corporate Services Department is composed of three sections. These are <b>Human Resources, Administrative Support, Legal Services, Information and Communication Technology</b> Sections with different legislative mandate. The department is mainly operational in nature. It provides strategic direction and support to the services' departments, by ensuring that human/physical resources are in place to enable the municipality to meet its service delivery objectives.
	<b>DIRECTOR TECHNICAL SERVICES:</b>	This is the department that has been entrusted with delivery of basic services through operations and maintenance of existing infrastructural services as well as delivering new services so as to reduce backlog in the municipality. It consists of two units namely, <b>Housing Unit, Project Management Unit and Waste Management Unit</b>

## **2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS**

### **Introduction to Co-operative Governance and Intergovernmental Relations**

In aligning our municipality with the transcripts that governs Co-operative Governance and Intergovernmental Relation there are structures that had been established that involves different relevant stakeholder of each respective structure or forum. In relation to HIV&AIDS matters, the municipality does have an Umzumbe Local AIDS Council, which is under the chairmanship of the Mayor.

The sector departments deal with issues of HIV&AIDS at local level. On a quarterly basis this structure meets discussing programs and projects to be implemented by each stakeholder. NGO council and Gender Committees reside within the office of the Deputy Mayor wherein they also deal with matters that are affecting these structures.

#### **2.2.1 Intergovernmental Relations**

##### **Provincial Intergovernmental Structure**

MUNIMEC is the structure where mayors meet with the Premier and the MEC'S of the province in discussing issues that affects the municipalities. Parastatals like Eskom sometimes attend these meetings where the issues of backlogs and plans by them are discussed. Provincial Disaster Forum serves as a basis in dealing with disaster issues within the province wherein the district municipalities and their local municipalities are also represented. The department of Provincial Treasury on request assisted the municipality on SCM matters; the understanding of the section 71 report for Cllr's and managers was done through the workshop.

##### **District intergovernmental structures**

As a family of UGu District Municipality IGR Structures are in existence through District Mayor's forum and Municipal Manager's forum that are functional, with regard to other IGR structures they have been established and ready to operate and will be chaired by the MM's from the respective Municipality's. The Chief Financial Officer Mr. K Audan is the delegate representing the Municipality in the CFO's forums with

Mr. M Phosa representing the municipality in the District and Provincial Planners Forums together with the IDP Forums.

## **2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

### **Overview of Public Accountability and Participation**

As clearly asserted in the sections of the MSA section 17(2), Umzumbe Municipality has a clear public participation strategy as well as Communication Strategy and both strategies seek to address the accountability. As a process of public participation IDP & Budget road shows were conducted in the 3<sup>rd</sup> quarter of the financial cycle. These initiatives gave communities a platform to raise their needs as well as their suggestions to the municipality. Mayoral Izimbizos were the vehicle in communicating progress on what has been promised by the council during its budget road shows. The ward committee functionality gave the municipality to advance and process community needs.

#### **2.3.1 Public Meetings**

##### **Communication, Participation and Forums**

As the municipality at the beginning of each financial year a clear process plan on IDP and Budget issues were tabled. During the review of the IDP, a draft IDP was taken to public for comments and placed in strategic areas within the municipality area of jurisdiction, for members of community to comment and make meaningful contributions. The draft IDP was placed at the following community facilities: Morrison Post, Mehlomnyama Police Station (ward 5), Assisi Clinic (ward 5), Ntimbankulu Clinic (ward 1), Phungashe Information Centre (Ward 3), Bhanoyi Community Hall (ward 7), Umzumbe Municipal Offices (ward 10), Mgai Clinic and social welfare (ward 7), Kwa Smith (ward 15), ward 19 Government offices, Ziyabenza Car wash (ward 17), Junction ward 2, Joyisi (ward 7), Mngomeni High, Bambumoya (Ward 2) and Mtwalume Clinic (Ward 11).

Monthly ward committee meetings were held to discuss developmental issues and chaired by the ward councilor of each ward. On a quarterly basis IDP Rep Forums are held and attended by various stakeholders as part of the public participation process to provide inputs to the Municipal Integrated Development Plan

Quarterly report back public meetings were held on all 20 municipal wards as another mechanism to strengthen public participation.

Disability community interests found expression in the municipality's IDP in the sense that the municipality had championed the rolling out of Special Programme's which cater, among others, Disability Programme. Youth Committee is in place being chaired by the Speaker of the council. The committee oversees all matters related to youth development and sustainable livelihoods in the modern era.



***Photo: New Ward Committee members***

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
ward 1 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 2 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 3 Public Meetings	Q 1,2, & 3	1	NIL		Yes	Feedback on quarterly reviews
ward 4 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 5 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 6 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 7 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 8 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 9 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 10 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 11 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 12 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 13 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 14 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews

ward 15 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 16 Public meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 17 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 18 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 19 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews
ward 20 Public Meetings	Q 1,2,3 & 4	1	NIL		Yes	Feedback on quarterly reviews

### 2.3.2 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

## 2.4 COMPONENT D: CORPORATE GOVERNANCE

### 2.4.1 Overview of Corporate Governance

The Department is headed by the Director: Corporate Services and consists of four sections: Human Resources, Administrative Services, Legal Services, Information and Communication Technology (ICT).

#### 2.4.1.1 Risk Management

In terms of MFMA section 62 (1) (c)(I), the accounting office of a municipality is responsible for managing the financial administration of the municipality and for this purpose take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent systems of risk management and internal controls.

#### ENTERPRISE RISK MANAGEMENT ENCOMPASSES:

- Aligning risk appetite and strategy – Management considers the entity's risk appetite in evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.
- Enhancing risk response decisions – Enterprise risk management provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing, and acceptance.

- Reducing operational surprises and losses – Entities gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.
- Identifying and managing multiple and cross-enterprise risks – Every enterprise faces a myriad of risks affecting different parts of the organization, and enterprise risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- Seizing opportunities – By considering a full range of potential events, management is positioned to identify and proactively realize opportunities.
- Improving deployment of capital – Obtaining robust risk information allows management to effectively assess overall capital needs and enhance capital allocation.

a) Top 5 risks (Inherent)

No.	Risk Name	Department	Risk Description
1.	Political Office Bearers: Speakers Office	Office of the Municipal Manager	Political interference in the administration of the Municipality.
2.	Business Process: Public Participation	Office of the Municipal Manager	Ineffective community participation and Consultation.
3.	Financial Management: Asset Management	Finance	Poor safeguarding of Municipal assets.
4.	Financial Management: Supply Chain Management Tenders	Finance	Irregular awarding of tenders.
5.	Financial Management: Budget	Finance	National budget cuts impacting on service delivery.

b) Top 5 risks (Residual)

No.	Risk Name	Department	Risk Description
1.	Business Process: Public Participation	Office of the Municipal Manager	Ineffective community participation and consultation.
2.	Political Office Bearers: Speakers Office	Office of the Municipal Manager	Political interference in the administration of the Municipality.
3.	Financial Management: Asset Management	Finance	Poor safeguarding of Municipal assets.
4.	Financial Management: Supply Chain Management Tenders	Finance	Irregular awarding of tenders.
5.	Financial Management: Budget	Finance	National budget cuts impacting on service delivery.

#### **2.4.1.2 Anti-Corruption and Fraud**

Fraud represents a significant potential risk to the Municipality's assets and reputation. The Municipality is committed to protecting its funds and other assets. The Municipality will not tolerate corrupt or fraudulent activities whether internal or external to the organizations, and will vigorously pursue and prosecute any parties, by all legal means available that engage in such practices or attempt to do so.

The Anti-Corruption Strategy and Fraud Prevention Plan have been developed as a result of the expressed commitment of Government to fight corruption. It is also an important contribution to the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.



# Umzumbe Fraud Period: 2017/18

## Local Risk

## Municipality Register



No.	Functional Area/BA	Fraud Risk Title/Description	Root Cause	Internally/Externally Perpetrated	Impact on the organisation	Likelihood of occurrence	Inherent risk exposure	Current business processes / controls in place to manage identified risks	Perceived control effectiveness	Residual risk exposure	Mitigating action plans to further address the residual risk exposure	Date of Action Plan	Action owner	Action status
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### DEPARTMENT: CORPORATE SERVICES

1	HR	Abuse of leave and absenteeism by municipal officials for not processing leave days taken or for not completing the documentation required for leave and documents not being authorised by management resulting in a loss to the Municipality.	1. Lack of monitoring and supervision by management; 2. Lack of reconciliation; 3. Unethical behaviour by municipal officials; 4. Non-adherence to the Leave policy; 5. Authorisation of leave not done timeously.	Internally	Significant	Likely	Moderate	1. Leave policy is in place; 2. Biometric system is in place which monitor the attendance and access onto the municipal offices; 3. Manual attendance registers are utilised when the electronic (Biometric system) is not functional; 4. Payday electronic system is in place whereby electronic leave forms are submitted to managers/supervisors and once approved is submitted to the relevant HODs and thereafter to HR; 5. Exception report from the biometric system are printed and handed to the relevant HoD and tabled at the Exco meetings; 6. Code of Conduct is in place; 7. Sick notes are required when leave is taken for two or more days.	Satisfactory	Priority 4	1. Leave policy to be reviewed on an annual basis and to include that sick notes must be produced if an official has taken sick leave on either a Monday or Friday; 2. Leave policy to be workshops annually; 3. HR to conduct monthly leave reconciliations on leave taken vs. the attendance register and to attach all relevant supporting documentation; 4. Ethics training to be workshops to all municipal officials on a annual basis; 5. Management need to develop a reporting tool or document in order for supervisors/HODs to monitor time spent by municipal officials during site visits.	1. 30 June 2018; 2. 31 Dec 2017; 3. 31 Dec 2017 and thereafter on a monthly basis; 4. 30 June 2018; 5. 30 Nov 2017 and thereafter on a monthly basis.	Risk Owner: Municipal Manager Action Owner: Director Corporate	Not yet commenced
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Risk Register - Q3 2017														
Risk ID	Risk Owner	Risk Description			Severity	Probability	Risk Rating	Risk Score	Mitigation Actions	Owner	Status			
		Impact	Severity	Probability										
2	HR	<ul style="list-style-type: none"> <li>- Ghost employees created on payroll in order to divert salaries and benefits to existing employees or the lack of termination of employee contracts that result in funds being diverted.</li> <li>- Allowances paid to employees without proper/valid documentation.</li> </ul>	1. Lack of monitoring and supervision; 2. Negligence; 3. Unethical Behaviour; 4. Collusion between Cllrs, Municipal officials and third parties.	Both	Significant	Likely	Moderate	1. Annual Headcounts performed internally (internal audit and HR); 2. Approved organogram in place and officials not reflected on organogram are not appointed without approval; 3. Biometric system in place that records the movement of municipal officials; 4. Segregation of duties is in place; 5. Communication between HR and payroll for new appointments and termination of municipal officials; 6. Monthly variance reports performed by the Finance department on the salaries paid and any deviations are investigated.	Good	Priority 5	<ul style="list-style-type: none"> <li>1. Trend analysis to be conducted on a quarterly basis by Internal Audit;</li> <li>2. Headcount needs to be performed regularly by Internal Audit/HODs;</li> <li>3. A list of all municipal officials per department needs to be authorised and signed by the relevant HOD and then submitted to payroll in order for salary payments to be effected.</li> </ul>	<ul style="list-style-type: none"> <li>1. 31 Dec 2017;</li> <li>2. 31 Dec 2017;</li> <li>3. 10 October 2017 thereafter by the 10th of each month. And Directors submit approved reports back to HR by 15th of every month</li> </ul>	Risk Owner: Municipal Manager Action Owner: All HODs Internal Audit HR Manager	Not yet commenced
3	HR	<p>The misrepresentation of experience and fabrication of qualifications by candidates during the recruiting process in order to be appointed by the Municipality.</p> <p>This could also happen in conjunction with nepotism or political influence, where a specific candidate is favoured without considering</p>	1. Unethical behaviour; 2. Political influence and pressure; 3. Lack of pre-appointment screening for officials below Section 54 and 56 managers; 4. Non-adherence to the Recruitment policy; 5. Lack of supervision and monitoring.	Both	Significant	Likely	Moderate	<ul style="list-style-type: none"> <li>1. Recruitment and Selection policy in place;</li> <li>2. Pre-screening of municipal officials and section 56 and 54;</li> <li>3. Vetting of the candidates for all municipal officials and section 55 and 56;</li> <li>4. HR to conduct verifications</li> </ul>	Good	Priority 5	<ul style="list-style-type: none"> <li>1. Review of Recruitment and Selection Policy annually</li> <li>2. Vetting of the candidates for all municipal official prior to appointment.</li> <li>3. Reference checks are performed prior to appoint the successful candidate.</li> </ul>	<ul style="list-style-type: none"> <li>1. 30 June 2018;</li> <li>2. 01 Oct 2017.</li> <li>3. 01 Oct 2017</li> </ul>	Risk Owner: Municipal Manager Action Director Services Owner: Corporate	Not yet commenced

4	HR	Manipulation and relaxation of job requirements and specifications of available positions in order for the municipality to employ their preferred candidates. This could also occur in conjunction	1. Lack of approved job specifications for each position when the organogram is being approved by Council.2. Collusion amongst Senior Officials.3. Management overriding the	Both	Significant	Likely	Moderate	1. Recruitment and Selection policy in place2. Approved Staff Establishment by Council; 3. HR manager drafts job specification or advert in conjunction with user department and Director: Corporate Services.	Good	Priority 5	1. Review of Recruitment and Selection Policy annually.	1. 30 June 2018	Risk Owner: Municipal ManagerAction Owner: Director Corporate Services	Not yet commenced

5	HR	Employees claiming overtime that has not been worked or inflating overtime hours worked.	1. Lack of supervision and monitoring managers and supervisors within each department. 2. Poor planning of the overtime required. 3. Non-compliance with the overtime policy. 4. Lack of ethics. 5. Management override of internal controls. 6. Collusion of employees.	Internally	Significant	Likely	Moderate	1. HR Policy in place. 2. Overtime forms and supporting document to work overtime. 3. Approval of overtime by responsible supervisor	Good	Priority 5	Regular monitoring by supervisors	Ongoing	Risk Owner: Municipal Manager Action Director Services Owner: Corporate	Planned
6	HR	Loitering of Municipal employees during working hours.	1. Lack of monitoring and supervision by managers and supervisors within each department. 2. Lack of ethics. 3. Inappropriate corporate culture. 4. Ineffective biometric.	Internally	Significant	Likely	Moderate	1. HR Policy in place 2. Code of conduct. 3. Biometric System	Weak	Priority 2	1. Ethics awareness. 2. Improve supervisory controls. 3. Develop guidelines in respect of detecting, monitoring and consequence management of loitering. 4. Develop and implementation of time sheets	1. 31 Dec 2017; 4. 31 March 2018	Risk Owner: Municipal Manager Action Director Services Owner: Corporate	Not yet commenced

7	Administration	Abuse or Unauthorised use of municipal assets such as laptops, cell phones or land lines (Telecommunications) by municipal officials for personal use/gain resulting in financial loss for the Municipality.	1. Unethical behaviour; 2. Lack of enforcement of policies (IT, cell phone, internet and landline); 3. Lack of supervision and monitoring.	Internally	Significant	Likely	Moderate	1. IT policy is in place; 2. Telephone and cellphone policy is in place; 3. Soft locking for cell phones (usage limit varies per designation); 4. Pin codes for telephone use; 5. Asset Management policy in place; 6. Asset register in place.	Good	Priority 5	1. Investigate the possibility of an external service provider to assist with monitoring the usage of telephones by municipal officials and to provide itemised billing reports per official (Telkom); 2. Telephone and Cellphone policy to be reviewed and workshopped annually. 3. Telephone usage report	1. Monthly reports; 2. 31 December 2017. 3. Monthly reports	Risk Owner: Municipal Manager Action Owner: Director Corporate Services	Not yet commenced
8	Administration	Theft of goods from Registry	1. Greed and unethical conduct by Municipal Officials. 2. Inflating the requested goods and stealing these goods once issued by stores for personal gain. 3. Lack of segregation of duties. 4. Inadequate controls relating to issuing of goods at user department level. 5. Lack of supervision and monitoring. 6. Collusion between services providers and the municipality.	Both	Significant	Likely	Moderate	1. Issuing/Control Register.	Satisfactory	Priority 4	1. Regular surprise inventory counts by Administration Manager. 2. Stocking as per mSCOA compliance. 3. Training of Registry staff on managing of inventory. 4. Introduction of system request by all municipal officials.	Immediately	Risk Owner: Municipal Manager Action Owner: Director Corporate Services	Not yet commenced

Risk Register - Q3 2017																
Risk ID	Risk Owner	Risk Description	Impact			Probability			Risk Level		Mitigation Actions	Due Date	Risk Status	Risk Owner: Municipal Manager	Action Owner: Director Corporate Services	Not yet commenced
			Severity	Probability	Severity	Severity	Probability	Severity	Probability	Severity						
9	Administration	Misuse of municipal vehicles for personal trips resulting in a financial loss to the Municipality.	1. Unethical behaviour; 2. Non-adherence and lack of enforcement to the Fleet policy; 3. Lack of supervision and monitoring.	Internally	Significant	Likely	Moderate	1. Fleet Management policy is in place; 2. C-Track tracking unit is installed in all municipal vehicles; 3. Pre-authorisation forms are authorised by the manager and the Fleet Officer with supporting documentation attached (Indemnity forms, request forms); 4. Asset Management policies are in place; 5. Vehicle log book is updated on an ongoing basis.	Good	Priority 5	1. Review and workshop the Fleet Management policy on an annual basis; 2. Reports on all fleet issues need to be compiled and distributed to the relevant HODs. This will be an item on the agenda at the MANCO meetings;	1. 30 June 2018; 2. Ongoing;	Risk Owner: Municipal Manager Action Owner: Director Corporate Services			
10	Administration	Theft of fuel by the Municipal officials.	1. Greed and unethical conduct by Municipal Officials.2. Lack of timeous reconciliations of the fuel reports received from the external supplier/contractors. 3. The municipality is dependent on external service providers to provide fleet reports4. Lack of supervision and monitoring.5. Collusion between officials and services providers.	Both	Critical	Almost certain	Extreme	1. Fuel report (ABSA) to monitor the consumption of fuel and is provided to the Municipality on a monthly basis; 2. Diesel bouser Gauge.	Weak	Priority 1	1. Comparison of the fuel consumption vs kilometers travelled to be performed on a monthly basis by Corporate Services.2. Regular spot checks by Director on Diesel bouser Gauge against manual book.	1. December 2017.01 October 2017	Risk Owner: Municipal Manager Action Owner: Director Corporate Services Director Technical Services	Not yet commenced		

11	IT	Unauthorised access to municipal systems and data shared folders i.e. access to Financial systems/SCM Master file system by IT or programmers including Super user access. This can result in the unauthorised alteration of information payroll/vendor information to divert payments - (including employees who have resigned/suspended and Interns still having access to Municipal systems).	1. Unethical Behaviour; 2. Non-compliance by municipal officials of the IT policy to gain unauthorised access; 3. Collusion between municipal officials and third parties; 4. Hacking.	Both	Catastrophic	Possible	High	a) Data Security Policy b) Network Security c) Firewall d) Audit Trails e) User Access Form (submitted by HR)	Good	Priority 4	1. The IT Policy will be reviewed and adopted by the Council 2. Staff will be workshopped on the Policy	1. 30 June 2018; 2. 30 June 2018;	Risk Owner: Municipal Manager Action Owner: Director : Corporate Services	Not yet commenced
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## DEPARTMENT: FINANCE

Risk Register - Q3 2018														
Risk ID		Risk Description		Impact		Likelihood		Severity		Mitigation		Owner		
12	SCM	Conflict of interest by municipal officials where financial business interests with other municipalities and stakeholders have not been declared which results in municipal officials favouring such suppliers to gain a financial benefit.	1. Unethical behaviour; 2. Non-adherence to the Code of Conduct; 3. Lack of vetting; 4. Collusion between municipal officials and service providers.	Both	Critical	Likely	High	1. MBD4 forms in place which requires suppliers to declare interest; 2. Declaration of interests for municipal officials and councillors done annually; 3. MFMA and Code of Conduct prohibits employee (councillors and employees) doing business with the state; 4. Vetting of suppliers via VAT number, tax clearance from SARS; 5. Cross referencing between Auditor General database and supplier database for potential Conflict of Interest; 6. Ugu district has a hotline service that is shared between the local municipalities; 7. SCM processes are reviewed by internal audit on a biannual basis; 8. There is a fraud prevention plan that is updated annually done by internal audit. 9. Central Supplier Database	Good	Priority 4	1. Investigate to implement a complete vetting service of supplier and employee databases by an external service provider; 2. Ethics and the Code of Conduct needs to be workshopped to all municipal officials on a regular basis; 3. SCM policy to be workshopped to all municipal officials.	1. 30 June 2018; 2. 30 June 2018; 3. 30 June 2018.	Risk Owner: Municipal Manager Action Owner: CFO Director Corporate	Not yet commenced
13	SCM	Manipulation of tender specifications by municipal officials and/or tender consultant in order to favour a preferred service provider to obtain a financial benefit.	1. Unethical behaviour; 2. Political Influence; 3. Collusion between the municipal official and service providers.	Both	Critical	Possible	Moderate	1. SCM policy is in place; 2. Bid committees are in place; 3. Declaration forms are signed for every sitting by committee members; 4. Training and workshop of the SCM processes to SCM officials; 5. Code of Conduct is signed by all SCM officials; 6. Rotation of suppliers on the SCM database; 7. Use of the tender defaulters list supplied by Treasury. 8. MSCOA	Good	Priority 5	1. SCM policy to be reviewed; 2. SCM policy to be workshopped to all municipal officials. 3. Ethics and the Code of Conduct needs to be workshopped to all municipal officials on a regular basis.	1. 30 June 2018; 2. 30 June 2018; 3. 30 June 2018.	Risk Owner: Municipal Manager Action Owner: CFO Director Corporate	Not yet commenced

Risk Register - Q3 2018														
Risk ID		Risk Description		Risk Probability			Risk Impact			Risk Rating		Risk Response		
Row	Category	Severity	Impact	Severity	Impact	Severity	Impact	Severity	Impact	Severity	Impact	Owner	Action	
14	SCM	Price fixing by service providers.	1. Failure to honestly declare financial interest by officials, Councillors and Service Providers.2. Inadequate processes to deal with inflated prices within the Bid process.3. Collusion between Councillors, officials and the service providers.4. Bribery and sharing of confidential information.5. Collusion among service providers.	Both	Significant	Possible	Low	1. Declaration of interest for SCM Officials, Bid Committee Members, Senior and Middle Managers as well as Councillors.2. Evaluation of quotes and bids received.3. Competitive bidding process.4. Implementation and utilisation of Central Suppliers Database (CSD).5. Take action against Tender defaulters.	Satisfactory	Priority 5	1. Compliance with provisions of the competitive bidding process.2. Review of the SCM policy to address the issue of price fixing.3. Implementation and enforcement of the SCM Policy to deal with cases of collusions.4. Consequence management in respect of non compliance.5. Implement zero tolerance policy to fraud and corruption.	30 June 2018;	Risk Owner: Municipal Manager Action Owner: CFO Director Corporate	Not yet commenced
15	SCM	Abuse of section 36 or intentional late submission of requisitions resulting in bypassing of controls.	1. Poor planning; 2. Non-adherence to the SCM policy; 3. Collusion by municipal officials and service providers; 4. Late provision of funds from provincial government resulting in a pressure to utilise the funding.	Both	Significant	Possible	Low	1. Procurement plan submitted to SCM at the beginning of each FY; 2. All requisitions must be submitted to the SCM department 7 days prior to the event; 3. SCM policies and procedures are in place; 4. Requisitions are signed off and approved by the relevant supervisors; 5. Deviation forms has to be signed off by the HoD and MM and then reported to the Council; 6. Segregation of duties is in place; 7. Sample checks are done on Section 36 requests by Internal Audit and Audit Committee; 8. System rotation of suppliers on the SCM database; 9. Report on business and cash plans in respect of grant	Good	Priority 5	1. Enforce that the procurement plan is adhered to; 2. Workshop to all municipal officials on the SCM policy and procurement plan.	30 June 2018	Risk Owner: Municipal Manager Action Owner: CFO Director Corporate	Not yet commenced

Risk ID	Risk Category	Risk Description	Impact			Probability	Mitigation	Risk Rating	Owner	Due Date	Status				
			Severity	Likelihood	Severity										
16	SCM	Acceptance of bribes( kickbacks) by municipal officials and Councillors from suppliers in order to influence / manipulate the award of contracts or payment to suppliers.	1. Greed. 2. Living beyond your means. 3. Lack of ethics. 4. Lack of internal control in place to ensure that all tenders are processed without any internal influence.	Both	Significant	Possible	Low	funding to be utilised timeously.	1.Compliance with the Code of conduct. 2. Investigations of irregularities are conducted. 3. Adherence to SCM code of conduct. 4. Corporate Culture Programme.	Good	Priority 5	Roll out Corporate programme and culture fraud awareness programme.	30 June 2018	Risk Owner: Municipal Manager Action Owner: CFO Director Corporate	Not yet commenced
17	Creditors	Payment for goods/service s not rendered or for the poor quality/substa ndard work or the overstatement of progress on the project due to poor project management.	1. Poor planning; 2. Unethical behaviour; 3. Negligence; 4. Vague specifications; 5. Unqualified supplier; 6. Falsification of completion certifications; 7. Lack of monitoring and supervision; 8. Collusion between municipal officials and service providers.	Both	Critical	Likely	High		1. SCM policy is in place; 2. Goods received note signed off by the user department; 3. Sign off by the respective Line manager of payment certificate prior to payment to verify services that have been rendered; 4. Invoices are authorised by the respective Line manager and submitted to Finance for payment; 5. Segregation of duties is in place; 6. All user departments to verify services provided; 7. Finance and Technical departments to report on progress on projects to their respective portfolio committees; 8. Site visits are done to check quality, specifications, measurements and a progress report is compiled on a monthly basis to which	Good	Priority 4	1. SCM policy to be workshopped to all municipal officials; 2. All documentation including the updated CIDB certificate to be attached as supporting documents to the invoice before being submitted to the CFO for payment; 3. Impromptu site visits to be conducted by the MM/CFO/Internal Audit for the relevant projects; 4. Ethics and the Code of Conduct to be workshopped to all municipal officials on a regular basis.	30 June 2018	Risk Owner: Municipal Manager Action Owner: Municipal Manager, HODs and Internal Audit	Not yet commenced

18	Creditors	Duplication of payments to service providers/suppliers by resubmitting the same invoices for payment or by submitting invoices for payment of goods/services not rendered	1. Collusion between suppliers and the user departments staff.2. Poor contract management by the Municipality. 3. Negligence	Both	Critical	Likely	High	photographs are attached. This is performed by the project manager and contractor. This report submitted to Finance when payment is effected. 9. Sport Checks are done	Good	Priority 4	1. Prior to process the actual payment, supporting documents are checked to ensure validity, accuracy and completeness.2. Statements are checked against invoices.3. Preparing of recons is done within 10 days of the following month.	On goingOngoingOngoing (monthly)	Risk Owner: Municipal ManagerAction Owner: Municipal Manager, HODs and Internal Audit	Planned
19	Creditors	Unauthorised changes of supplier information and employee banking details by employees with the intention to divert payments	1. Limited integration between the payment system and the banking system. 2. Misrepresentation of information when the	Both	Critical	Likely	High	Changes made in the system after receipts of valid supporting documents ( formal letter from the Company and the Bank).  Banking Details to be reflected on all invoices	Good	Priority 4	Continous monitoring and evaluation of controls.	Ongoing	Risk Owner: Municipal Manager  Action Owner: Municipal Manager, HODs and Internal Audit	Not yet commenced

20	<p>(EFT Fraud) for personal gain.</p> <p>service providers are registered on the database system.</p> <p>3. Lack of data encryption.</p>				<p>Both</p> <p>Critical</p> <p>Likely</p> <p>High</p>	<p>1. Fixed Asset register in place and is updated on monthly basis.</p> <p>2. Asset reconciliations are done monthly.</p> <p>3. Assets Management Policy.</p> <p>4. Assets verification process.</p>	<p>Good</p>	<p>Priority 4</p>	<p>1. Continuous monitoring of the monthly asset reconciliations</p> <p>2. Continuous monitoring of the Asset Policy and the Fixed Asset register.</p> <p>3. Continuous verification of assets.</p> <p>4. Consequence management in respect of non compliance.</p> <p>5. Implement zero tolerance policy to fraud and corruption</p>	<p>on going</p>	<p>Risk Owner: Municipal Manager</p> <p>Action Owner: Municipal Manager, HODs and Internal Audit</p>	<p>Planned</p>

21	Asset Management	Collusion by municipal officials with third parties in respect of the use of municipal property resulting in the illegal usage of municipal assets/land.	1. Collusion between municipal officials and third parties; 2. Unethical Behaviour; 3. Greed.	Both	Minor	Possible	Insignificant	<ul style="list-style-type: none"> <li>For (10) community facilities caretakers were employed on contractual basis for the period of 2years</li> <li>Two booking records are kept at ward level (one for community members and the other one for government departments.</li> <li>Bookings are made at ward levels through caretakers who in turn will inform the officer from Community Services to expect it.</li> <li>A form will be completed by the caretaker on establishing the availability of the hall for the date in question</li> <li>Facilities where there is no caretaker are not easy to manage and ward councilors are in charge of the bookings.</li> </ul>	Weak	Priority 5	<ul style="list-style-type: none"> <li>Cottages to be built for caretakers so that they are available for 24hours on the premises of the facility</li> <li>Alternatively, to appoint caretakers with licenses and have access to the company vehicles to curb the challenge of opening and closing at the end of the event.</li> <li>To appoint the supervisor for caretakers who will roam around all the 20 wards collecting money for bookings, checking for caretaker's and facility needs etc.</li> <li>Challenges of community members residing a distance away from the municipality having to collecting refunds from the municipality can be curb through an EFT transaction.</li> <li>Due to financial constraints, facilities that do not have a caretaker to utilize ward committees that are paid for administration tasks.</li> <li>Purchasing of electricity for community facilities.</li> <li>Policy to be formalized with regards to leave for caretakers.</li> <li>In order to cater for community facilities situated far from the municipality to introduce the EFT system this will maximize the safety of these caretakers.</li> </ul>	Long term plans	Risk Owner: Municipal Manager Action Owner: Director : Social & Community service	Not yet commenced	
22	Finance	Abuse of S&T claims by claiming expenses that are not work related or to inflate S&T claims with fictitious claims, resulting in a financial loss for the Municipality.	1. Unethical Behaviour; 2. Collusion between municipal officials; 3. Lack of monitoring and supervision.	Internally	Significant	Possible	Low	a) HR b) Claim c) Itinerary	Policy Form	Satisfactory	Priority 5	1. Standard KMs within KZN 2. Committee set up to develop a standardised KMs.	1. 30 June 2018;	Risk Owner: Municipal Manager Action Owner: Director : Corporate Services; CFO	Not yet commenced

The Risk register and the Anti-Corruption Strategy will be reviewed in 2018/2019 financial year.

#### **2.4.1.3 Supply Chain Management**

The Municipality has a supply chain management unit which forms part of the Finance Department. The unit is responsible for ensuring that the goods and services are procured in a manner which is transparent, competitive, equitable, cost effective and fair, through proper implementation of the SCM policy. The municipality's SCM policy is reviewed on an annual basis.

The unit responds to the authorized purchase requisitions for other departments within the municipality using the electronic accounting system called Sage Evolution. The swift response to the authorized purchase requisitions where possible is always ensured.

The municipality is striving to empower local businesses and cooperatives to improve our local economic development. The suppliers are rotated where possible to ensure that there are equal opportunities. However there are challenges since most of our local businesses are not well established and therefore cannot supply or provide certain goods or services.

The Municipality commenced on preparations for the implementation of the Municipal Standard Charter of Accounts (MSCOA) as per circular 54 and 82 of the Municipal Finance Management Act (Act No. 56 of 2003). Budget and Development Planning Unit were part of the MSCOA committee, together they were responsible for the alignment of projects with the municipal budget.

#### **2.4.1.4 By-Laws**

Section 11(3) (m) of the Municipal Systems Act No 32 of 2000, gives municipality's the right to pass by-laws in their area of jurisdiction. The SPLUMA bylaws were developed and Gazetted by the municipality with the aim to institutionalize SPLUMA Principles across the entire municipality.

#### 2.4.1.5 Municipal Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	June 2017 and January 2018
All current budget-related policies	Yes	June 2017
The previous annual report (Year -1)	Yes	April 2017
The annual report (Year 0) published/to be published	Yes	January 2019 and April 2019
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	July 2017
All service delivery agreements (Year 0)	Yes	July 2017
All long-term borrowing contracts (Year 0)	N/A	N/A
All supply chain management contracts above a prescribed value (R 30,000.00) for Year 0	Yes	Throughout 2017/18
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	June 2018
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A	Throughout 2017/18
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	Throughout 2017/18

### **3. CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART 1)**

#### **3.1 COMPONENT A: BASIC SERVICES**

##### **Water Provision**

Water and Waste water (sanitation) are services provided by Ugu Municipality as an institution with water serves authority. Waste management services are provided through the use of skip bins that are placed at strategic positions within Umzumbe LM jurisdiction, Housing services are implemented by the department of Human settlement in conjunction with the Municipality. The basic water service in Umzumbe is community standpipes within 200m -800m radius of all households.

The 2016 Community Survey reveals that access to water within RDP standards decreased from 36% in 2011 to 29% in 2016. The stats further indicate a rise in household access to water below RDP standard from 64 % in 2011 to 71% in 2016. The District is to be commended for the positive figures and encouraged to strive for more.



*Photo: Community Stand Pipe*

## **Waste water (Sanitation) Provision**

The only sewer option in Umzumbe is Ventilated Pit Improved Latrines (VIP). Based on the recent 2016 Community Survey, the sanitation backlog is estimated at 31% of households with sanitation below the RDP standard. Sanitation for households at RDP standard is 34 %.



*Photo: VIP Toilets*

## **Electricity**

The Municipality through Eskom Network planning report has identified areas which are not constrained in terms of Electricity coverage. There are areas which are already covered with electricity and are energised. The project has managed to provide job opportunities to the Community. Umzumbe Municipality in working with Eskom has been tasked to facilitate the connection of electricity cables to the constrained households with Eskom focused on energising the households. The challenges that are normally faced by the Municipality is theft of infrastructure cables in a local area and illegal connections. There were 5 planned projects during the 2017/18 financial year with the Department achieving three out of five targets.

Project Name	Annual Target	Annual Actual	Status
Mbiyana Phase 1	192 Households connected	192	Target Achieved
Ekubusisweni Phase 2	104 Households connected	41	Target Not Achieved
Mahlaya Phase 2	140 Households connected	107	Target Not Achieved
Mbiyana Phase 2	40	60	Target Met
Magwaza	116	116	Target Met

The main reason as to the Department not meeting some of the targets is due to migration of the community because of socio-economic push and pull factors. The Municipality provides Cooking Gel in areas that do not have access to electricity at all, these households are supplied with a liquid gel by Community Services Unit.

**Table indicating electricity service delivery levels**

Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	8,000	6,000	6,000	10,000	10,000	10,000
Households below minimum service level	1,063	750	550	3,600	3,600	3,600
Proportion of households below minimum service level	13%	13%	9%	36%	36%	36%

## **Waste management (Refuse collection, waste disposal, street cleaning and recycling)**

### **Introduction to Waste Management**

The Municipality has identified areas where there is a huge need for waste removal and to comply with the Integrated Waste Management Plan of the District, Province and National Department (IWMP). There is a service level agreement with our sister municipality Umdoni to assist with the removal of skip bin per week with the programme targeting over 7800 families. The Municipality is also assisting the TB Hospital Dunstan Ferrell to make sure that their waste material is removed weekly. The programme has created a number of Job opportunities within the municipality.



**Photo: Community Works Programme**

Solid Waste Service Delivery Levels				
Description			Households	
	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	685	562	560	200
<i>Minimum Service Level and Above sub-total</i>	685	562	560	200
<i>Minimum Service Level and Above percentage</i>	19.7%	15.7%	17.3%	6.8%

**Table indicating solid waste delivery levels**

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Households		
	Actual	Actual	Actual	Original Budget No.	Adjusted Budget No.	Actual No.
	No.	No.	No.			
<b>Formal Settlements</b>						
Total households	8,000	6,000	6,000	100,000	100,000	100,000
Households below minimum service level	6,000	5,000	4,500	25,000	25,000	25,000
Proportion of households below minimum service level	75%	83%	75%	25%	25%	25%

## Housing

The Municipality is a deep rural Municipality and it uses the Rural instrument in terms of Housing deveolpment. The Municipality took a clustered approach when submitting applications to the Department of Human settlement for housing development. The Municipality has managed to build 26 housing units for the 2017/18 financial year in ward 12 for Operation Sukuma Sakhe. There is an land right agreement with Ingonyama Trust Board aimed at acelerating the provision of sustainable human settlement, the problem however lies with households residing on privately owned land. The Municipality is engaging with the the state land ownership to enter into a development right agreement for other programmes of housing development.



*Photo: Umzumbe Housing Project*

**Table indicating percentage of access to basic services**

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	560000	350000	62.5%
Year -2	654000	450000	68.8%
Year -1	654000	500000	76.5%
Year 0	684000	540000	78.9%
			T 3.5.2

**Table indicating employees for Housing**

<b>Employees: Housing Services</b>					
<b>Job Level</b>	<b>Year -1</b>		<b>Year 0</b>		
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0%</b>

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

*T 3.5.4*

<b>Financial Performance Year 0: Housing Services</b>					
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	120	125	100	95	-32%
Expenditure:					
Employees	125	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
<b>Total Operational Expenditure</b>	195	732	750	744	2%
<b>Net Operational Expenditure</b>	75	607	650	649	6%

*Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.*

*T 3.5.5*

The housing projects only depended on the allocation of funds from the Provincial Department of Human Settlement, there it depends on the allocation of funds by the Treasury Department for each financial year. The challenge is that the demand on the ground for housing exceeds the available funds. The Municipal Council Adopted the Housing Sector Plan during the 2017/18 financial year as a component of Municipal IDP, to address the housing backlog and provide housing for the different income groups.

## **Free Basic Services and indigent support**

In aligning with the International, National and Provincial policy objectives on poverty alleviation and the constitutional mandate to ensure citizens have equal rights and access to basic services. The Council of Umzumbe committed itself to developing poverty alleviation initiatives that would improve the quality of life for the community of Umzumbe. In doing so the Community Services Unit Compiled the Indigent support policy with an objective to dignify the quality of life of these households.

The free basic service being provided in the form of Free electricity tokens to 3300 household monthly, these beneficiaries were identified with the target number of 5085 in the Eskom beneficiaries list that is not corresponding to the total number of households in the current indigent register which is 8594 households. Also, the provision of 4x 20l cooking gel to 300 to indigent families per year. The indigent support is done in the form of provision of food parcels to needy families that are living below the poverty line, they are then referred to relevant government sectors for their sustainability. The school uniform was also provided to 2400 needy and vulnerable school children from primary schools and high schools.

The municipality have the new indigent policy in place that will be used to guide the process of the reviewal of indigent register but the policy needs some amendments to ensure that it's constitute the indigent register that will be used as the guiding tool to provide correct support to correct people and also to assist the municipality in tracking it effective response to indigents. This Indigent support policy provides guidelines and procedures in terms of the implementation of these programs and initiatives to address the challenges of poverty. In terms of the support given to the impoverished communities, the municipality has updated its indigent policy and provides free basic services across the spectrum. The Indigent register was adopted by council and includes all the households in need of support.

## **COMPONENT B: ROAD TRANSPORT**

### **3.1 Roads**

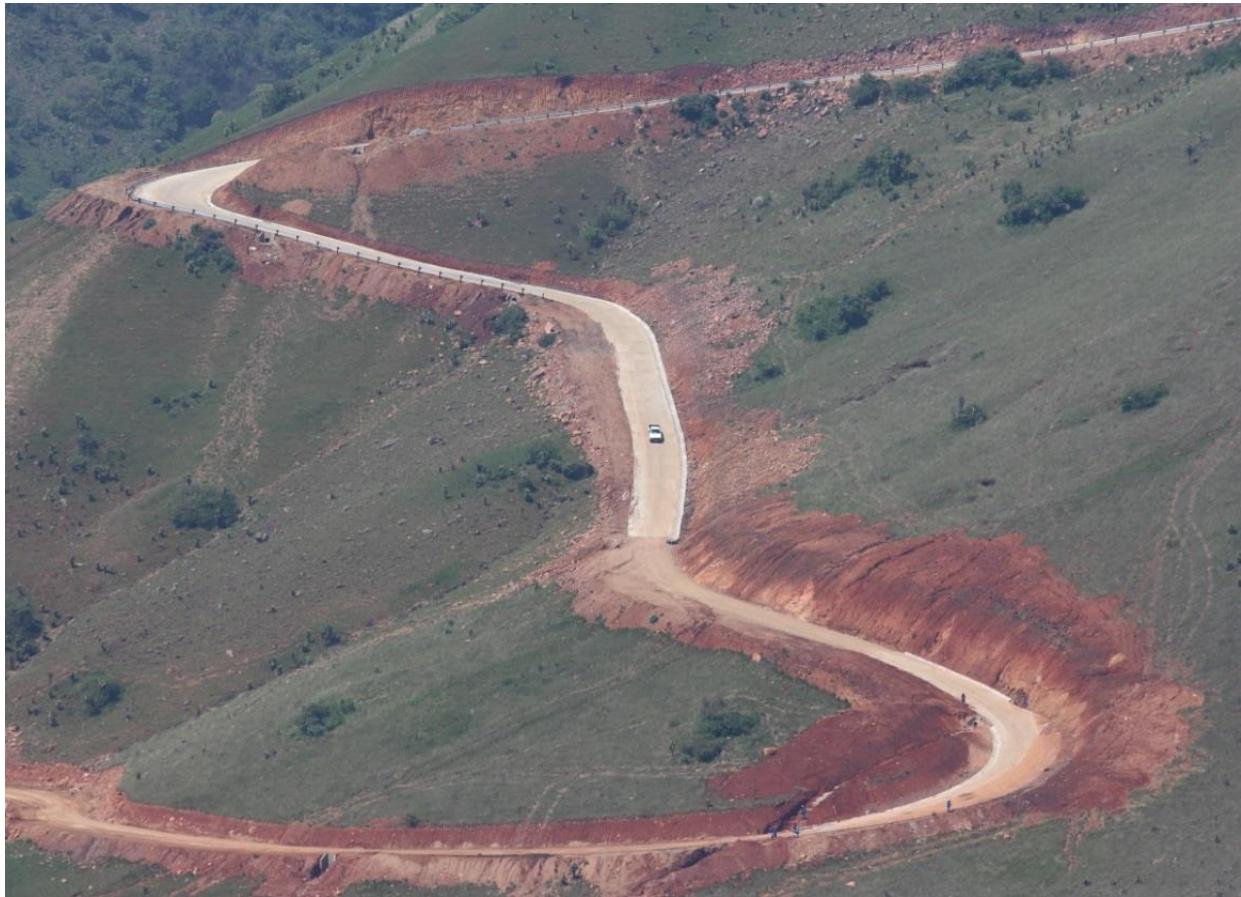
The municipality has access roads which are being maintained by the municipal technical services department. During the compilation of the second generations IDPs the municipality planned to purchase maintenance plant per cluster, we currently have four Graders two TLB, an Excavator, Tipper Truck and Lowbed truck. The municipality has drafted an Infrastructure master plan to guide the access road maintenance program. The municipality procured the Water Cart and the Roller in the 2017/18 financial year to assist in elevating service level rate of backlog on roads to be maintained.



***Photo: Loadbed***

The Municipal Technical Services Department had the following infrastructure projects, planned in the previous financial year.

The image below indicates Ntatshana Access Road and bridge, located in ward 7. The project is aimed at linking settlements whilst reducing the traveling time to urban areas.



***Photo: Ntatshana Access Road***



***Photo: Ntatshana Bridge***



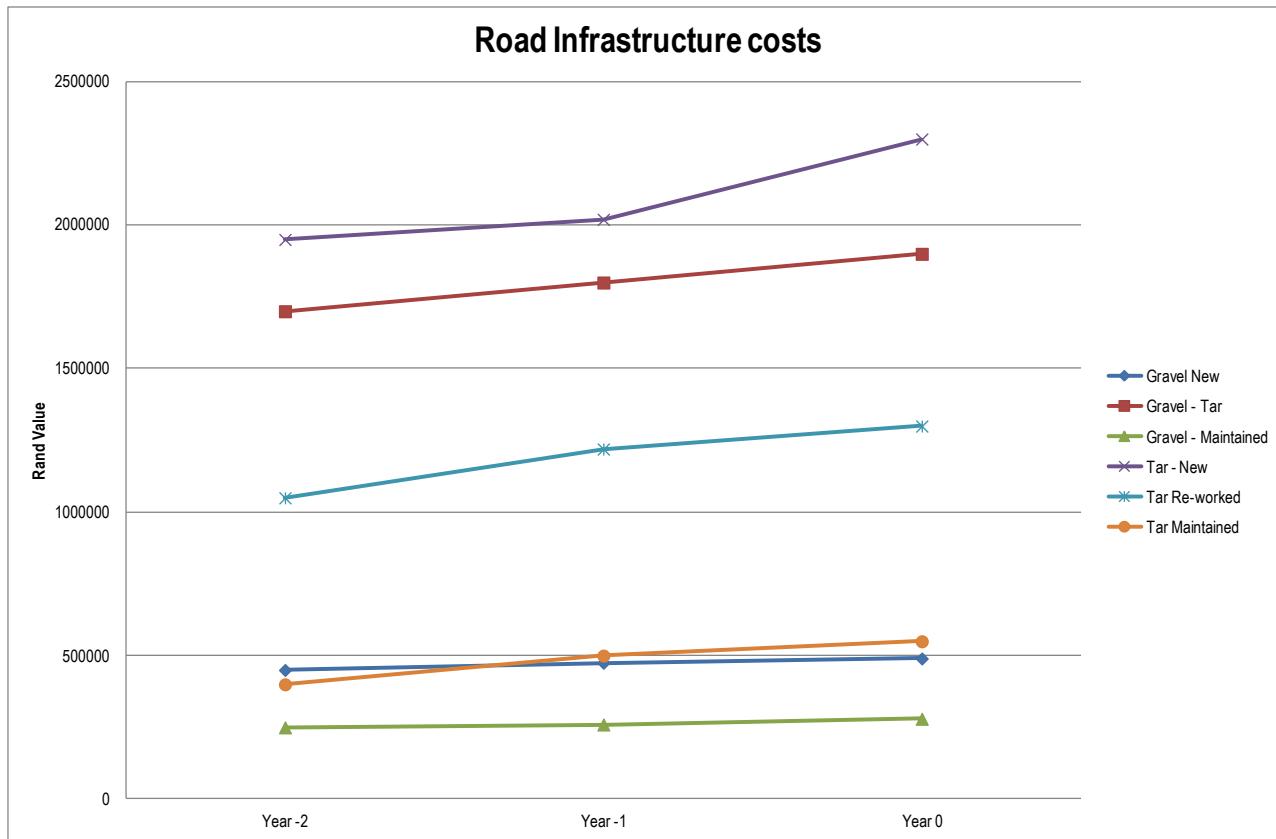
*Photo: Khathi Access Road handover*

**Table indicating number of gravel road Infrastructure**

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	145	15	10	100	
Year -1	160	20	12	120	
Year 0	166	25	14	140	
					T 3.7.2

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year -2	85	10	23	18	100	
Year -1	98	14	25	15	120	
Year 0	114	20	30	25	140	
						T 3.7.3

### Table indicating Cost of Construction/ Maintenance



Job Level	Employees: Road Services					
	Year -1		Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
No.	No.	No.	No.	No.	%	
0 - 3	1	1	1	0	0%	
4 - 6	3	3	3	0	0%	
7 - 9	6	8	6	2	25%	
10 - 12	7	15	7	8	53%	
13 - 15	9	15	9	6	40%	
16 - 18	11	21	11	10	48%	
19 - 20	18	30	18	12	40%	
Total	55	93	55	38	41%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.7.7

Financial Performance Year 0: Road Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.7.8

Capital Expenditure Year 0: Road Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
<b>Total All</b>	260	326	378	31%		
Project A	100	130	128	22%	280	
Project B	80	91	90	11%	150	
Project C	45	50	80	44%	320	
Project D	35	55	80	56%	90	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).						T 3.7.9

### 3.2 Transport (vehicle licensing and public bus Operation)

Transport in Umzumbe Municipality is provided through private mini bus taxis and UGu Transport buses. The key performance area for this programme was the consultative workshop and an authorisation letter (approval to establish the municipal police services) at the end of the financial year from the Department. A consultative workshop was conducted which comprised of the relevant stakeholders ranging from transport sectors to municipalities. The intention of the workshop was to seek assistance and information from these relevant sectors on how to go about establishing the Law Enforcement within the Municipality. Roads P68 and P73 were seen as potential use of the implementation of this project. Recommendations from this workshop proved that there is a potential for the establishment of the

protection services. It would be ideal for the municipality to commence by establishing a DLTC which would serve as a revenue base and assistance would be provided by the Department of Transport.

The initial step was to seek authorisation from the Department of Transport and engagements in relation to site identification. The council approved 3 sites to choose from the suitable one. Service Provider has been appointed to commence with the construction work. Challenges experienced by the unit was obtaining the specification from the Department of Transport so as to not make mistakes made by other municipalities. This had delayed the entire construction process. A turn-around strategy was designed by the unit to explore a nearby Licensing Centre and draw a plan from it which would be submitted to the Department of Transport for approval. The Learners License Centre would assist community members a great deal by saving on the transport cost to reach sites in the urban areas of Ugu District.



*Photo: Mode of Public Transport in Umzumbe*

### **3.3 Waste Water (Storm water Drainage)**

The municipality had formal storm water drainage system installed during the construction of the municipal access road. Storm waste drainage form parts of all road that are being maintained with the municipality's internal team.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

### **Introduction to Development Planning and Local Economic Development**

In terms of physical planning and economic development of Umzumbe Municipality, the provincial development corridors offer an opportunity for densification and investment concentration along these corridors (N2, R102 and P68, P73). The Provincial SDF guidelines make reference on the importance of ensuring that the Densification Framework is reflected on the Municipal Spatial Development Framework.

The availability of UGu district development and service delivery programme, if implemented will support the municipality in its accord towards developing sustainable human settlements. Being located along the South Coast Tourism region, Umzumbe municipality has an opportunity to grow in the tourism sector and thus contributing to local economic development. The KwaZulu Natal Planning and Development Act (Act No. 06 of 2008) together with Spatial Planning and Land Use Management Act (Act No.16 of 2013) require municipalities to develop wall-to- wall scheme. Umzumbe municipality has a Wall-to-wall scheme which aims to ensure orderly development and sustainable human settlements. However, challenges still arise with regards to the enforcement of the land use scheme and various bylaws due limited human capital and lack of funding to rectify such challenges.

A lack of land ownership by the municipality becomes a challenge when enforcing land use clauses. In addressing the matter the Development Planning Unit planned to conduct a Land Audit, to assist the municipality in obtaining up-to-date information on land ownership. The scattered settlements and rugged terrain also make it difficult for densification. The high rate of unemployment within the municipality poses a challenge for economic development.

### **3.4 Development Planning**

The Development Planning Section is responsible for the development and implementation of Integrated Development Plan, Organizational Performance Management System and implementation of the Spatial Development Framework. The preparation of the Five year (2017/18 – 2021/2022) Integrated Development Plan of the municipality was an integrated participatory process that began July 2016 with the development of the IDP/Budget/PMS process plan following which the process plan was presented in the Top Management Committee, Planning Portfolio Committee, Executive Committee, IDP Representative Forum and Council. Members of the Community were afforded an opportunity to comment on the Plan through local newspapers and the municipal website. The municipality has been able to conduct measurement on quarterly basis where the performance targets were evaluated against the planned targets as per the Service Delivery and Budget Implementation Plan during the 2017/18 financial year.

A total of five Mayoral Izimbizo were held between October and November 2017, within and around the municipality taking a clustered approach in the participation of the community. Councillor S.R Ngcobo gave report backs on completed projects to the community, and on the planned projects from the previous financial year.



***Photo: Community Participation***

The IDP /budget roadshows were conducted between March and April 2018, where the Mayor presented the Annual Budget and planned projects for the 2017/18 financial year.

The municipality owns 0% land, close to 40% of the land falls under Ingonyama Trust Board with approximately 35 % of land under private and government departments. This poses a challenge to the municipality in so far as the enforcement of the laws is concerned. Attracting investment is a challenge but it can be unlocked through proper settlement planning, zoning of areas to assist in land management as well as environmental conservation. A large portion of the population lives in poverty and depends on social grants this needs to be addressed in order to improve the quality of life for all. Lack of sufficient infrastructure such as electricity and water supply is hindering the development and sustainability of economic activity in the sense that it does not boost investor confidence.

In complying with the SPLUMA requirements the municipality adopted Wall-to-wall scheme together with the Municipal bylaws. The scheme will ensure proper land use management and orderly development

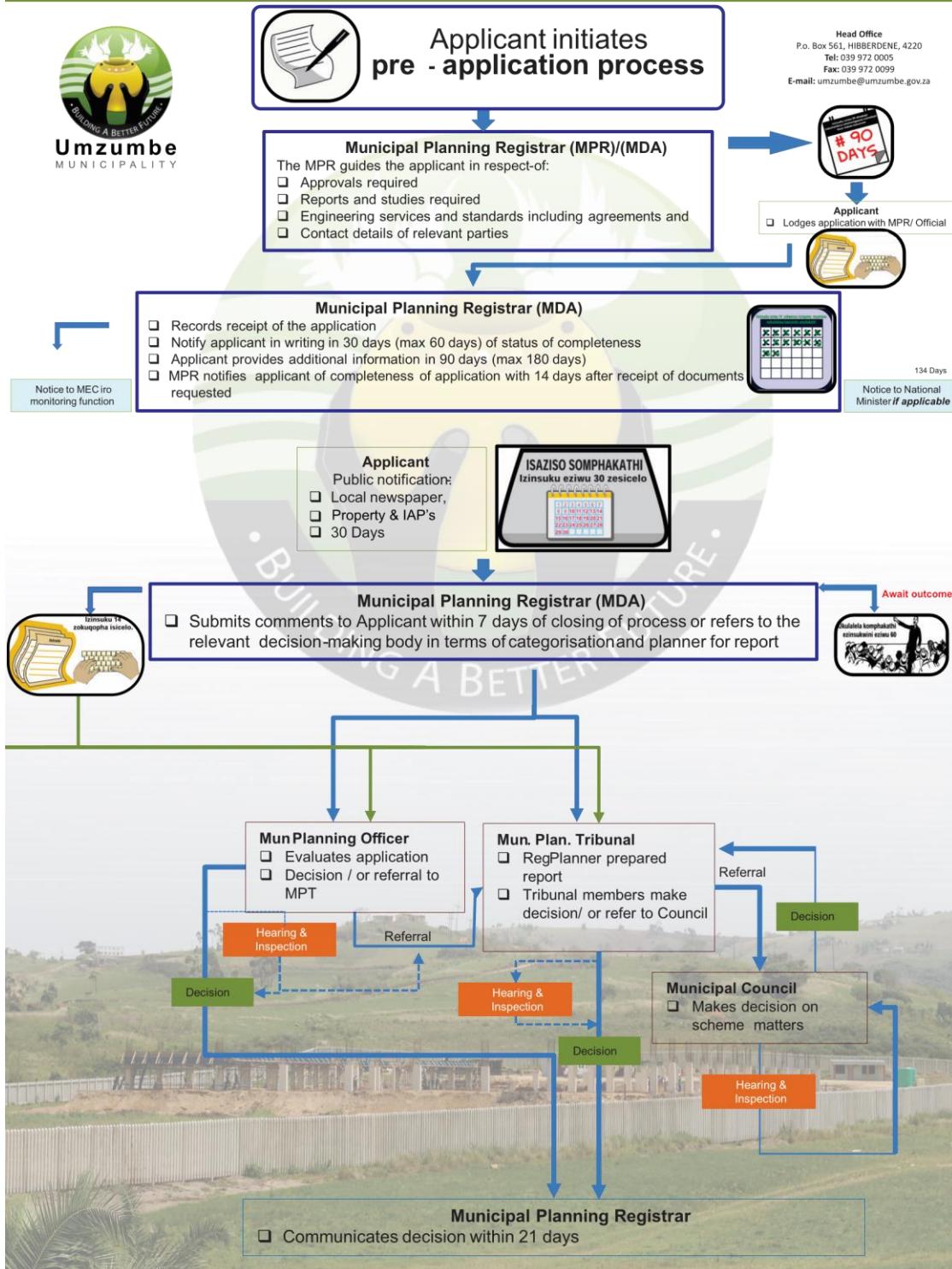
aligned to the Municipal Spatial Development Framework. Following the successful development and adoption of the Spatial Development Framework by Isibuko se-Africa Development Planners in terms of Spatial Planning and Land Use Management Act (Act No. 16 of 2013) to guide the spatial transformation within the municipality, Isibuko was also appointed during the 2017/18 financial year to do the Phungashe Local Area Plan which is to be adopted by Council in the 2018/19 financial year.

**Revenue Enhancement:** as the municipality is predominantly rural with high level of unemployment and Poverty, it makes it difficult for the municipality to generate own revenue in terms of waste removal, electricity, sanitation, rates and other municipal services.

In addition to Municipal IDP Roadshows and Mayoral Izimbizo, the Development Planning Unit conducted SPLUMA Awareness campaigns around all clusters of the municipality. The purpose of the awareness campaigns was to educate the community on the recently enacted Spatial Planning and Land Use Management Act no. 16 of 2013 together with the application procedures and the importance of consulting the municipality before conducting any form of developments. A total of 1000 Pamphlets and 100 posters of SPLUMA educational material was procured and distributed during the Campaigns and Mayoral Imbizo's.

## SPLUMA Poster

## SPLUMA PROCESS, PROCEDURE AND OUTCOMES



**Table indicating Development Applications**

<b>Applications for Land Use Development</b>						
<b>Detail</b>	<b>Formalization of Townships</b>		<b>Rezoning</b>		<b>Built Environment</b>	
	<b>Year -1</b>	<b>Year 0</b>	<b>Year -1</b>	<b>Year 0</b>	<b>Year -1</b>	<b>Year 0</b>
Planning application received	-	0	2	0	0	0
Determination made in year of receipt	-	0	2	0	0	0
Determination made in following year	-	0	0	0	0	0
Applications withdrawn	-	0	0	0	0	0
Applications outstanding at year end	-	0	0	0	0	0

**Table Indicating Vacancy rate for Planning**

<b>Employees: Planning Services</b>					
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime)</b>	<b>Vacancies (as a % of total)</b>
No.	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	4	4	0	0%

Planning Policy Objectives Taken From IDP					
Service Objectives	Outline Service Targets	Year 0			
		Target		Actual	
Service Indicators		*Previous Year	*Current Year		
(i)	(ii)	(v)	(vi)	(vii)	
<b>Service Objective xxx</b>					
Implementation of Spatial Planning and Land Use Management Act. 16 of 2013 and PDA	PDA Applications finalized within 90 days of receipt	No application were received	2 applications were received during 2017/18.	2	
Complete and adopt Wall-to-wall scheme and land audit	Implementation of Land Use Management Systems	N/A	N/A	N/A	
Investing in localities of economic growth	Development of sustainable economic nodes and corridors	Umzumbe Spatial Development Framework adopted during 2016/17 year.	Phungashe Area Plan started	Target Achieved	Adopted SDF
Increase awareness on development planning tools to various stakeholders	Awareness campaigns	5 SPLUMA/PDA awareness campaigns	5 SPLUMA awareness campaigns	Target Achieved	

**Table indicating Financial Performance for Planning**

<b>Financial Performance Year 0: Planning Services</b>					
<b>R'000</b>					
<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>			
	<b>Actual</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue</b>	3,400,175.00	3,460,000.00	3,460,000.00	-	%
Expenditure:					
Employees	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Operational Expenditure</b>	3,400,175.00	3,460,000.00	3,460,000.00	-	%

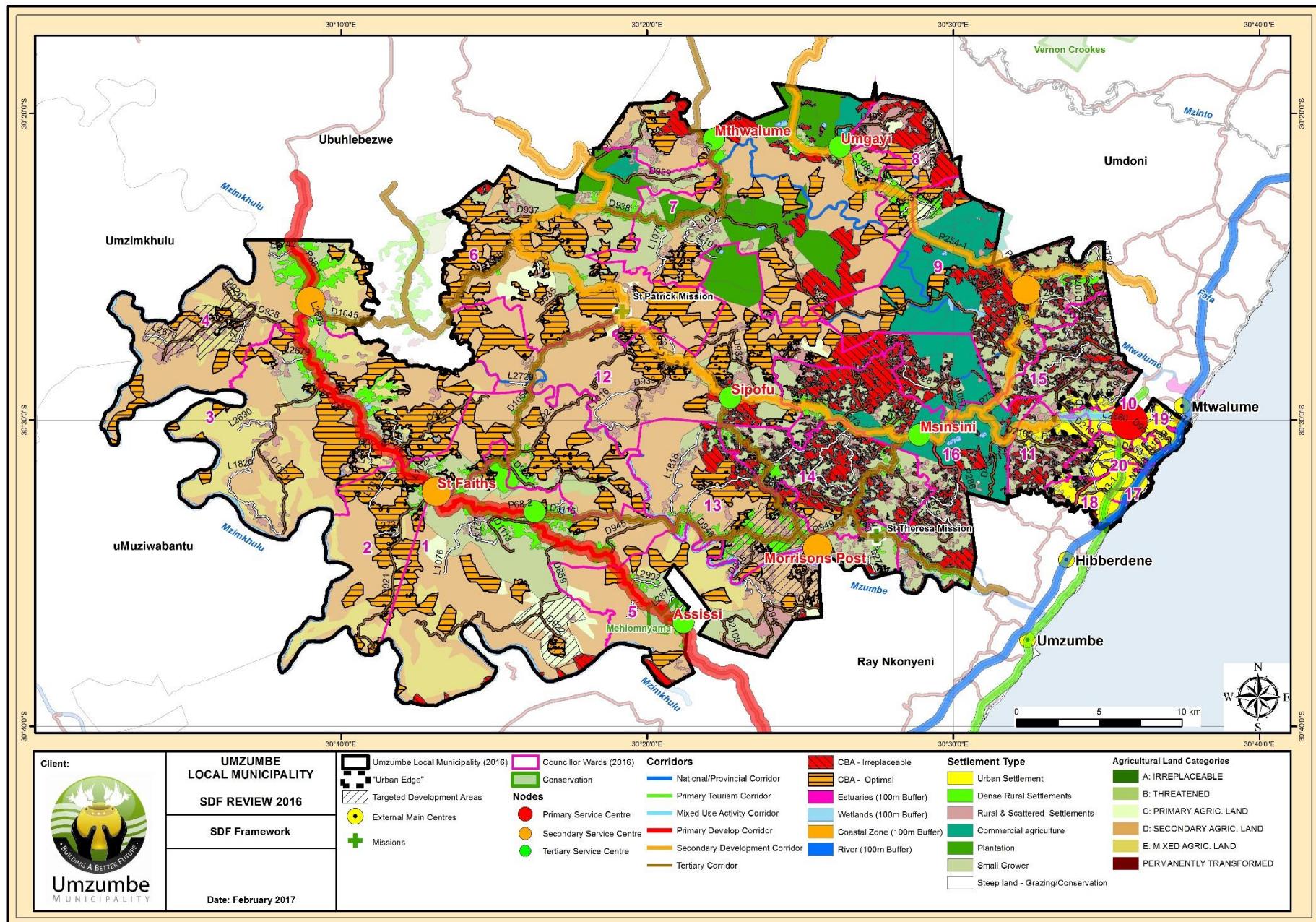
**COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:**

The Umzumbe Spatial Development Framework was adopted by Council during the 2016/17 financial year and was reviewed during the 2017/18 financial year. The adoption of the reviewed SDF will assist in the orderly development of land and inclusion of previously disadvantaged areas. The SDF will assist the municipality in achieving its desired spatial vision. Isibuko seAfrica Development Planners were appointed to Review the 2012 Municipal SDF in alignment with the recently enacted Spatial Planning and Land Use Management Act (Act No. 16 of 2013) and other relevant plans and policies.

The Umzumbe Spatial Development Framework outlines a number of projects aimed at realizing the spatial vision of the municipality through an Area Based Management approach. Among these projects is the development of Local Area Plans in the designated Municipal Clusters. The table depicts the Local Area projects identified by the Municipal Spatial Development Framework together with the progress of the municipality in implementing these projects.

Cluster	Project Name	Progress
Cluster A	Turton Beach Framework	Done 2015
Cluster D	Pungashe Local Area Plan	In progress
Cluster D	St Faiths Local Area Plan	Planning Phase
Cluster E	Umgai Local Area Plan	Planning Phase
Cluster B	Morrison Post Local Area Plan	Planning Phase
Cluster E	Hlokozi Local Area Plan	Planning Phase

## Umzumbe SDF



### **3.5 Local Economic Development**

#### **Introduction to Economic Development**

Local Economic Development (LED) is an outcome, based on local initiative and driven by local stakeholders. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development. The aim of LED is to create employment opportunities for local residents, alleviate poverty, and redistribute resources and opportunities to the benefit of all local residents. The LED Strategy was compiled to assist realize the full economic potential of Umzumbe and attracting investment.

The Unit realizes that LED is an ongoing process, rather than a single project or a series of steps to follow. LED compasses all stakeholders in a local community, involved in a number of different initiatives aimed at addressing a variety of socio-economic needs in that community.

The following are the priority areas for service delivery in LED:

- SMME's and Cooperative development
- Arts and Craft Development
- Arts and Culture
- Agriculture and
- Tourism

The Local Economic Development Unit consists of a Manager as the head of the unit, one officer and one intern. In the 2017/18 financial year, the unit was assisted by the Ugu municipality by providing three more interns who focused on agriculture and research. The unit is responsible for all the activities associated with economic development initiatives such as, Agricultural development programme, Co-operatives Development, SMME Development, Tourism Development, Arts and Culture and Arts Performance Development Programme set out to improve the key performance areas.

Table below depicts the expenditure under the relevant performance area:

<b>Performance Area</b>	<b>Expenditure</b>
Agricultural development programme	R 950,000.00
Co-operatives Development	R 800,000.00
SMME Development	R 500,000.00
Tourism Development	R 2,750,000.00
Arts and Culture and Arts Performance	R 1,620,000.00

Development Programme	
LED Strategy Review	R 497 870,80

The municipality has embarked on three economic sectors namely Primary, Secondary and tertiary sectors of the economy presenting an opportunity engagement to develop economic activities that are balanced and sustainable

- **SMME Development**

This is a programme that helps develop small businesses that are registered as close corporations. The LED Unit updates the SMME's database regularly. SMME's training is provided in partnership with provincial government departments. The LED unit was unable to achieve the annual target of 4 New SMME's to be placed under the Incubator programme but 3/4 SMME's were provided with inputs. The programme has in the past provided inputs for Steel works, manufacturing, block making and Catering.

- **Co-operatives Developments**

This programme assists cooperatives in Umzumbe to develop through financial relief by providing inputs, training and mentorship. In addition 5 cooperatives were placed under the municipal incubation programme to receive inputs but out of the 5 co-operatives only 4 co-operatives were handed over with inputs.



*Photo: Co-operatives training*

## Arts and Craft Development

Individuals and Cooperatives are provided with soft and technical skills, which they will use to generate income and as a different intervention to poverty alleviation. Within the selected areas individuals are trained and then encouraged to form a business entity for trading. An Annual target of 5 new crafters provided with inputs was achieved 5 Crafters were assisted with inputs and 8 crafters were targeted to attend Exhibitions and the target was achieved 10 Crafters attended Exhibitions.



*Photo: Crafters Exhibition*



*Photo: Isicathamiya*

### **Agriculture Support Programme**

The programme focuses on identifying agricultural projects that will be able to stimulate economic development and assist project beneficiaries with relevant inputs. The Unit has supported community gardens previously, and the annual target was achieved 4 Community gardens were supplied with inputs and 40 gardens supported with the tractor programme.



***Photo: Community Gardens***

### **Tourism Development**

This programme is focusing on identifying tourism opportunities and nodes that have potential for promoting tourism and develop them into packages while assisting beneficiaries in doing feasibility celebration events. One of the objectives to this project is to restore and preserve local history and cultural development.

An annual target of 2 heritage celebration event to be conducted i.e. Isisivivane sika Shaka and Ntelezi Msane was achieved.



*Photo: Isivivane sika Shaka*

### **Ntelezi Msane**

This is the heritage project that seeks to commemorate the Heroes of Umzumbe that took part in the Poll tax uprising of 1906. The project is going to be a cornerstone of tourism and development within the Umzumbe municipality. The research done has linked Umzumbe to International avenues such as St Helena Island, where a tourism agreement should be signed. The project comprises lifestyle features such as museum, Amphitheatre, information centre, archive centre, library, art and etc.

Due to financial constraints, the project infrastructure will be done in phases, the project could not continue during 2017/18 financial year due to financial constraints.

## Challenges

The Municipality owns no land, close to 40% of the land falls under Ingonyama Trust Board and about 35% is under private ownership and government departments, which makes it difficult for the municipality to have access to land required for developmental purposes.

Umzumbe local municipality is less revenue based, which result in budget constraints for other projects to be implemented efficiently. Currently the municipality's economic strengths lie in agriculture; subsistence farming, tourism and manufacturing. The municipality has identified a number of projects and initiatives to develop its economy. In addition to the above statement, there is also potential in the retail, trade and services sectors. Ntelezi Msani Memorial Site and Isivivane sika Shaka Heritage site are a portion of the flagship projects that have been identified by the municipality as the key project that will contribute in unlocking the tourism potential in the hinterland and also contributes in the transformation of the heritage sector. The Municipality is furthermore rich in natural resources with an aesthetic nature that appeals to the tourism industry. Moreover, Informal trade is the backbone of Umzumbe's economy and has identified areas such as Kwa-Phungashe and Morrison as its economic nodes.

## **COMPONENT D: COMMUNITY AND SOCIAL SERVICES & FIRE FIGHTING SERVICES**

The Department of Social and Community services is headed by the Director: Social and Community Services. The Community and Disaster Management Department comprises of two units, i.e. Community services and Disaster Management Services Unit & Fire Fight Services. The disaster and fire fight services unit is currently without a manager therefore it appears not to be performing to its maximum capability due to a lack of confidence and administrative head. However, the senior staff reports directly to the Director: Community & Social Services. A vacancy for Chief Fire Officer was proposed during the 2017/18 financial year

Social and Community Services is mandated to improve social development through targeted services. Programmed are established to improve the standards of life through a safety net of essential services. The Department is further mandated to respond to emergency and unforeseen circumstances through the Disaster Management unit.

The Community Services Department continued processes of establishing the Municipal Police unit with 2 awareness campaigns conducted to sensitize the community.

The Community Services unit had a target of supporting 20 schools with garden inputs and target was met, 20 schools were supported with inputs.



*Photo: School Greening Project*

### **3.6 Libraries; Archive's; Museums; Galleries; Community facilities; other**

Umzumbe Municipality currently has one Library situated Kwa-Phungashe for the community to utilize.

The employment of caretakers deemed effective and efficient in terms of monitoring and management of the furniture as well as the bookings made by our clients.

Community Services unit had an annual target to maintain 4 community facilities, the target was achieved with all 4 community facilities maintained. An additional 4 community facilities were to be provided with chairs and tables.

Service objectives

1. Securing and connection of burglar guards with the intention of minimizing vandalism
2. Acquisition of furniture to promote hiring of halls
3. Monitoring and management of community facilities through the 10 appointed caretakers to facilitate bookings and performs the supervisory services to 38 Women who clean the halls.

The Community Services unit together with Communications unit had a target of branding 6 community halls during the 2017/18 financial year. The images below indicate new branding and new burglar guards placed on the community halls.



**Photo: Ward 17 MPCC**



**Photo: Branded Ward 17 MPCC**

## **Child Care; Aged Care; Social Programmes**

“Dress a Child” campaign is a programme by the municipality aimed at providing school uniforms to scholars without proper or any uniforms. The Community Services Unit successfully achieved the annual target of providing 2400 uniforms to vulnerable children.



*Photo: Dress A Child*

## **COMPONENT E: ENVIRONMENTAL PROTECTION**

### **3.7 Bio-diversity; landscape (Incl. Open Spaces); and other (EG Coastal Protection)**

Umzumbe Municipality in partnership with the Department of Environmental Affairs has worked hard in ensuring the implementation of goal 6 (response to climate change) of the Provincial Growth and Development Strategy through:

- Installation of sign boards
- Skip bins on strategic points
- Clearing of illegal dumping zones
- Recycling information
- Placement of bins on public areas, schools, halls and street vendors
- Conducting information sessions.

We do strive to improve the performance of the service we are rendering to the community.

## Environmental Management

There is a Bioregional Plan which was done for the KZN Region from KZN wild life.

- Air quality plan and study was conducted
- The Coastal Management Plan was conducted by the District
- (IWMP) was developed by the District
- Environmental Management Framework is near completion for the whole district.

## COMPONENT F: HEALTH

### 3.8 Clinics

According to the Department of Health, Umzumbe Municipality has 1 Community Health Centre in Mtwalume, 13 clinics and 3 mobile clinic stopping points.

## COMPONENT G SECURITY AND SAFETY

### 3.9 Police

Umzumbe municipality currently has three police stations namely; St Faiths, Mehloomyama and Msinsini Police Station. The South African Police Services has indicated its intention to build an additional Police Station within the Municipality. The police station will assist in decreasing the crime rate and better accessibility to the community. The Development Planning unit received a SPLUMA Application for a proposed police station in KwaNdelu Ward 12, aimed at reducing crime statistics and accessibility of government facilities to the community.

### 3.10 Fire

Umzumbe is in a process of establishing the Fire and Rescue Services Section, this came after the decision to withdraw from the Fire Fighting Shared Service Agreement that was between Umzumbe, Umdoni, Vulamehlo and UGU District. Currently there are two (2) vehicles (Truck and Skid Unit) that are used to respond to incidents that are reported. Two (2) firemen and (4) trainee fire fighters have been recruited and they are responding to incidents.

In addition to effective response measures, the Disaster Management Unit seeks to reduce the number of lightning incidents affecting the community. Twenty six lightning conductors out of the annual target of 38

have been installed.

**Table Indicating Fire Service Data**

<b>Metropolitan Fire Service Data</b>					
	<b>Details</b>	<b>Year -1</b>	<b>Year 0</b>		<b>Year 1</b>
		<b>Actual No.</b>	<b>Estimate No.</b>	<b>Actual No.</b>	<b>Estimate No.</b>
1	Total fires attended in the year			37	
2	Total of other incidents attended in the year			47	
3	Average turnout time - urban areas				
4	Average turnout time - rural areas			45 minutes	
5	Fire fighters in post at year end			2	
6	Total fire appliances at year end			2 vehicles	
7	Average number of appliance off the road during the year				

Fire Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective xxx</b>									
<i>Turnout time compared to National guidelines</i>	% turn out within guidelines (total number of turn outs)	T0% within guidelines	A0% within guidelines or x if x is larger	T1% within guidelines or A0% if that is larger	70% within guidelines or A0% if that is larger	A1%	75% within guidelines or A1 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)
					70.00%	9.50%			

Table Indicating Vacancy rate for Fire Services

Employees: Fire Services					
Job Level	Year -1		Year 0		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Fire Fighters					
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	none				
Other Fire Officers	none				
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0%
10 - 12	0	0	0	0	0
13 - 15	0	0	0	6	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

**Table indicating Financial Performance for Fire Services**

Financial Performance Year 0: Fire Services					
R'000					
Details	Year - 1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	0
Expenditure:		400 000		0	
Fire fighters		305 161.92			
Other employees	0	168 000	0	168 000	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Operational Expenditure</b>	0	0	0	0	0
<b>Net Operational Expenditure</b>	0	0	0	0	0

**Table Indicating Capital Expenditure for Fire Services**

Capital Expenditure Year 0: Fire Services						
R' 000						
Capital Projects	Year 0					Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget		
Total All	400 000		0	#VALUE!		
Project A	0	0	0	0%	280	
Project B	0	0	0	0%	150	
Project C	0	0	0	#DIV/0!	320	
Project D	0	0	0	#DIV/0!	90	

### **3.11 (Disaster Management, Animal Licensing and Control, Control of Public Nuisances and other)**

#### **Disaster Management Section**

The Disaster Management Section has been able to accomplish all of the tasks set out to do in the financial year. The accomplishments are progressive with growth that gives projections of a section that has a great potential to establish itself as a unit. Programs that were implemented this year were a combination of community involvement and setting up systems for operations. Below are the programs and projects that were implemented, successes and challenges met and how those were approached and dealt with.

#### **Mitigation of Disasters in Municipal Events**

The section has a big role to play in ensuring safety of community, principals and fellow co-workers during events that are hosted by the municipality and also giving advice in events that are hosted by other stakeholders within the jurisdiction of Umzumbe municipality. The section develops disaster management, floor and security plans to ensure that the events are free from incidents.

The section participated in events such as Indigenous Music Festival, Youth Day, IDP and Budget Roadshows, Isicathamiya, Isivivane sika Shaka etc. It remains a gap that service providers are not knowledgeable or do not often adhere to the laws and regulations surrounding the services that they provide. They often do not comply with such regulations which poses a threat and deems the municipality vulnerable to lawsuits should incident occur. For an example, the erection of temporal structures (tents, marquees, stages, electric connections, etc.) requires that the service provider appoints an engineer who will assist those responsible for evacuation with important information relating to strength of the structure, wind notches, etc. Without this certificate the municipality stands to be sued should the structure collapse.

## **Awareness Campaigns**

Five (5) awareness campaigns were conducted in the 2017/18 financial year. The campaigns were conducted in 8 community halls and 5 schools. These were done strategically to highlight vulnerabilities of these particular areas and measures to prevent or mitigate those risks. Disaster Management section plays a coordinating role and invited stakeholders who are competent in different fields that needed to be addressed.

## **Stakeholders Advisory Forum**

Disaster Management Stakeholders' Advisory Forum is meeting on a quarterly basis. Special meeting was convened to discuss and plan for the eventuality of xenophobic attacks. Attacks that were reported in other parts of the province so Umzumbe had to assess and compile a preparedness plan. This year the section held 4 Stakeholders Advisory Forums. Stakeholders include the following departments (among others):

- Department of Human Settlement
- Department of Transport
- Department of Health
- Department of Home Affairs
- KZN Wildlife
- SASSA
- Department of Social Development
- South African Police Services (SAPS)
  - Hibberdene
  - Msinsini
  - Mehlomnyama
  - St Faith's
  - Sawoti
- Red Cross
- Umzumbe Fire and Rescue Services
- District Disaster Management Centre -
- Provincial Disaster Management Centre
- Department of Education

## **Trainings**

The training was conducted as part of a resolution taken during the Disaster Management Local Advisory Forum. The forum raised the training as a necessity due to the fact that councilors are sometimes the first people to get to the scene of the incident. The training will therefore assist the number of preventable deaths on the crime scene

## **Volunteer Program**

The aim of this programme was to broaden the manpower since the disaster management office is challenged. This programme assists with the reporting of incidents that occur in our communities so as to make the stipulated 72 hours response time.

## **Disaster Management Plan**

The Disaster Management Plan was last adopted by council in June 2015. The plan would assist in the implementation of programmes that will respond to relevant risks.

## **Challenges**

### **Mitigation of Disasters in Events**

Events planning meeting are necessary in order to plan for events to avoid incidents and to make proper arrangements considering that there are other disaster management stakeholders that have to be brought on board from planning stage up to the day of event.

### **Understaffing and Resources**

There are 4 key performance areas of Disaster Management (Institutional Capacity, Disaster Risk Reduction, Disaster Risk and Recovery and Public Awareness, Education, Training and Research); this means that work is still done below standard. The increased staff will only mean necessary focus is given to all areas they are equally important and complement each other to create a vibrant disaster management section.

## **Resources**

The section is dealing with emergencies e.g. fires, Motor Vehicle Accidents (MVA) s and other related incidents. The section also has a target of 72 hours response time that has to be met and this requires resources in a form of space, vehicles, etc. The unavailability of resources means the practitioner has to wait until rain subsides so that assessments can be done. The lack of storage space also means that practitioner needs to collect relief material from UGU Disaster Centre so that they can respond to affected families.

The fire fighters work shifts as most of the cases like Moto Vehicle Accidents (MVA)s happen at night. It becomes time consuming to call fire fighters from home to respond to emergencies. There is a need for park home to accommodate fire fighters during night shift and standby.

## COMPONENT H: SPORT AND RECREATION

### 3.12 Sport and Recreation

Umzumbe Municipality through the Youth Development Section has revived all Ward Sports Committees in all 20 wards. This ultimately led to the revival Umzumbe Local Sport Confederation Committee on the 6th October 2017. The Local Sport Confederation is responsible for stakeholder management and Federations of all sport codes. Furthermore, promotes healthy lifestyle through various sport and recreation activities including establishment of leagues, club development, school's sports promotion running of completions, etc. Measures that were taken to improve the performance of athletes was inclusion of scouts from Professional Clubs to see local talent during the Mayoral Cup Games competition. One athlete was selected to play for Mamelodi Sundowns FC under-19 Team.

According to the CSIR planning standards, there should be atleast one sports field per 7700-1200 people. A fully functional Umzumbe Sport Confederation Committee that regularly meets monthly to assist the office for sport programmes implementation was established during the 2016/17 financial year.

1. Mayoral Cup Finals Saturday 27, May 2017 at Bhekameva Sport fields
2. Youth Run Athletics & SPAR Ladies selection held on Sunday 14, May 2017 at Nkanini Sport Fields
3. Beach Games held on Saturday 25, February 2017 at Turton Beach
4. SALGA Games held on 05-11 December 2016 at UGU Sport and Leisure Centre in Margate



*Photo: Umzumbe Mayoral Cup games*



*Photo: Umzumbe Beach Games*



*Photo: Umzumbe Golden Games*

## **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

### **3.13 Executive and Council**

The council identified objectives in the compilation of the 5 year Integrated Development Plan which aim;

- To solicit input and information towards the development of a credible 5 year IDP;
- To review the municipality's mission, vision and strategic objectives of the municipality in line with government priorities;
- To align the IDP with local government's Turn Around Strategy and the service delivery agreement (outcome nine) and with other policy imperatives;
- To develop an IDP that factors in the rural context of Umzumbe and possible benefits of Government Rural Development Priority;
- To identify strategic focus areas for the next five years

The capital projects identified are aligned to the municipal strategic objective and government priorities. The Mhlabashane Dam construction, Turton Beach development, Ntelezi Msani Memorial, 039 Royal Plaza (Phungashe) and Mathulini Mall development will help improve access to services and job creation.

### **3.14 Financial Services**

#### **Introduction Financial Services**

In terms of section 62 of the MFMA, the accounting officer of a municipality is responsible for managing the financial administration of the municipality. The management of the municipal finances involves both a strategic and operational component. Strategically, the finances must be managed to accommodate fluctuations in the economy and the resulting changes in costs and revenues. Operationally, the municipality must put in place clear financial goals, policies and tools to implement its strategic plan.

The overall strategic plan is to ensure that there is transparency, accountability and sound financial management. Forming part of this plan are key performance areas such as: ensuring that all statutory reporting is compiled and submitted to the different spheres of government timeously, annual financial statements are prepared in accordance with GRAP and submitted on time, effective and efficient utilization of financial resources, compliance to the Supply Chain Management Policy and the maintenance of assets effectively with respect to additions; disposals; impairments on the assets register.

Formed with a purpose to manage this strategic and operational component of municipal finance, the Financial Services Department is headed by the Chief Financial Officer and comprises the following sections:

- Expenditure & Assets
- Budget , Revenue & Treasury
- Supply Chain Management

#### **Functions of the Financial Services Department:**

*Expenditure & Assets* – The Manager: Income and Expenditure is responsible for salaries administration, creditor's management, VAT compliance, government grants administration, maintenance of assets and investments.

*Budget, Revenue & Treasury* – The Manager: Budget and Treasury is responsible for ensuring that budgets are prepared, budgets are effectively utilized, reporting to National treasury and other spheres of government and financial forecasting.

*Supply Chain Management* – The Manager: Supply Chain Management is responsible for the implementation of the Supply Chain Management policy and ensuring that the goods and services are procured in manners which are transparent, competitive, equitable, cost effective and fair.

The finance department has performed very well over the year and achieved 16 out of the 17 annual targets from the SDBIP. The budget was compiled in compliance with regulations and was adopted by council within the stipulated timeframes. The annual financial statements were prepared in accordance with GRAP and were audited by the auditor general. The AG report commended the municipality on the preparation of the annual financial statement as they were free from any material misstatement. Key deadlines in terms of other reporting requirements were also met.

### **3.15 Human Resource Services**

#### **Introduction to Human Resource**

The Municipal workforce plays a pivotal role in ensuring that the municipality achieves its development goals and bettering service delivery to the community. The municipality therefore prides itself in employing and developing suitable candidates, while providing a safe working environment for its staff through effective implementation of the Human Resource Policy. This is evident from the many achievements received by the municipality in the year of reporting together with the previous financial years. The Human Resources unit had a target of filling 11 vacant posts and they overachieved by filling 36 posts for 2017/18 financial year.

**Table Indicating Vacancy Rate for Managers**

<b>Vacancy Rate: Year 0</b>			
<b>Designations</b>	<b>*Total Posts</b>	<b>Approved Posts</b>	<b>*Vacancies (Total time that vacancies exist using fulltime equivalents) No.</b>
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S56 Managers (excluding Finance Posts)	4	1	25.00
Senior management: Levels 13-15 (excluding Finance Posts)	5	0	0.00
Manager: (excluding Finance posts)	12	1	8.33
Manager: (Finance posts)	3	0	0.00
<b>Total</b>	<b>26</b>	<b>2</b>	<b>7.69</b>

### **3.16 Information communication technology (ICT) services**

#### **Introduction to Information and Communication Technology (ICT) Services**

The Information and Communication Technology unit provides Telecommunications and Information Technology (ICT) support to all the departments and users within Umzumbe local municipality. The ICT unit has to ensure that the correct and accurate data is available and accessible by the authorized departments and users internally and externally at all times. This data must be secured against unauthorized users and viruses. This unit has to ensure that up-to-date systems and infrastructure are used to enhance speedy service delivery.

We have virtualized our servers and a new server was procured for replication in order to ensure that the backups are done efficiently and effectively and the restore is done with minimum disruption of the services. Our main aim of to improve the network connectivity in order to speed up transaction processing especially with the MSCOA implementation.

#### **SERVICE STATISTICS FOR ICT SERVICES**

2 X Domain Controllers

7 X Servers

88 X Active Directory User Accounts

+- 60 Printers

+- 100 Desktops / Laptops

Handle an average of 12 issues / faults a day.

#### **Table indicating the employees for ICTs**

<b>Employees: ICT Services</b>						
<b>Job Level</b>	<b>Year -1</b>	<b>Year 0</b>				
	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>	
0 - 3	1	1	1	0	0%	
4 - 6	1	1	1	0	0%	

Our largest capital project is the procurement of computer equipment and software in order to support the other departments. There will also be a network upgrade as we are having challenges with the network connectivity. The website will also be re-done. There are no foreseen variations.

## **Component J: Miscellaneous**

Due to the municipal area predominantly being rural, the Umzumbe Municipality is currently not at a state to fulfill the objectives under this section.

## **Component K: Organizational Performance Scorecard**

2017/2018 FINANCIAL YEAR																							
UMZUMBE ANNUAL PERFORMANCE REPORT																							
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT				
									2016/17 (Target)			2016/17 (ACTUAL)			DEMAND	BACKLOG	2017/18 (TARGET)		2017/18 (ACTUAL)				
									CURRENT YEAR														
<b>Municipal Transformation and Institutional Development</b>																							
1.1.a.	1.1 To Ensure Improved organizational stability and sustainability	Staff recruitment and selection (filling of vacant posts)	Human Resource Management	Recruitment and Selection	Internal	15 posts filled	Number of vacant posts filled	11 vacant posts filled	Target Met: 36 Employees appointed including 10 unemployed graduates	13	0	Fill Vacant Posts: 13	Target Met: 22 employees appointed	Achieved	N/A	Q1-Q4: Appointment Letters	Signed Letter of appointment and Acceptance Letters (Q1-Q3)	Corporate Services					
									N/A	N/A	N/A	N/A	N/A	Achieved		N/A	Appointment Letters	Signed Letter of appointment and Acceptance Letters (Q1-Q3)	Corporate Services				
									N/A	N/A	N/A	N/A	N/A	Achieved									
									Internal	5	Number of critical posts filled	3 critical post filled (MM, Director Social and Community Services and Director Technical Services)	Target not met	4	0	4 critical post filled (Section 54 & 56)	Target Met: 4 critical posts filled	Achieved	N/A	Q1-Q2: Performance agreement	Signed employment contract	Corporate Services	
									N/A	N/A	N/A	N/A	N/A	Achieved									
									Organizational Performance Management System	Quarterly reviews	All	4 quarterly reviews	Number of quarterly reviews conducted	4 quarterly reviews	Target Met: 4 Quarterly reviews were held	4	0	4 QUARTERLY REVIEWS	Target Met: 4 Quarterly Reviews conducted	Achieved	N/A	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager / Development Planning and Local Economic Development
									Annual Performance Report 2013/2014	N/A	Annual Performance Report 2013/2014	Date Completed Annual Performance Report submitted to Auditor General	Adopt Annual Performance Report by 2016-08-31	Target Achieved: 2015/2016 Annual Performance Report Adopted on the 29 August 2016	1	0	2016/2017 APR	Target Met : 2016/17 APR adopted and submitted to COGTA & AG	Achieved				
									PMS Framework Policy	Internal	2015/2016 PMS Policy	Date	Review and Develop Comprehensive PMS Policy	Target Achieved: PMS Policy Adopted by EXCO on the 29 June 2017 on Behalf of Council	1	0	PMS Framework Policy	Target achieved. PMS Policy	Achieved	N/A	Q3-Q4: Council Resolution	Office of the Municipal Manager / Development Planning and Local Economic Development	
									2014/2015 Annual Report	2014/2015 Annual Report	All wards(1-19)	2013/2014 Annual Report	Annual Report Adoption date	2015/2016 Annual Report adopted by 31 March 2017	Target Achieved: Annual Report adopted by Council on the 30 March 2017	1	0	Adopted 2016/2017 Annual Report	Target met: Adopted 2016/2017 Annual Report 28 March 2018	Achieved			
														R 200 000.00	R 91 000.00	R 300 000.00	R 166 000.00						
1.1.b.	Reviewed Records Management Policy by 30 June 2018	Reviewed Leave Policy by 31 March 2018	Internal	Employment Equity Report				4 Employment Equity Report	Target Achieved: Two reports were submitted to dept of Labour	1	0	Employment Equity Reports	Target Met: Employment Equity report developed and sent to Dept of Labour.	Achieved	N/A	Letter of acknowledgement & EXCO Resolution	Corporate Services						
									N/A	N/A	N/A	N/A	N/A										
									Reviewed Records Management Policy by 30 June 2018	Internal	2013/2014 Policy	Date	N/A	N/A	1	1	Reviewed Records Management Policy by 30 June 2018	Target not Met: Draft Records Management Policy was finalised at the beginning of Q4 and sent to Dept of Arts & Culture (Archives section) for inputs.	Not Achieved	Records Management Policy was finalised at the beginning of Q4 but no inputs have been received from Archives (Dept of Arts and Culture)	Policy to be adopted in Q1 of the current Financial Year.	Q3-Topmanco Resolution and Q4-Council Resolution	
									Reviewed Leave Policy by 31 March 2018	Internal	2016/17	Date	N/A	N/A	1	0	Reviewed Leave Policy by 31 March 2018	Target Met: Leave Policy adopted	Achieved				
														N/A	N/A	N/A	Q1-Topmanco Resolution and Q3-Council Resolution	Corporate Services					

2017/2018 FINANCIAL YEAR																				
UMZUMBE ANNUAL PERFORMANCE REPORT																				
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT	
									2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)						
				Adopted Business Continuity Plan by 30 June 2018	Internal		New Policy	Date	N/A	N/A	1	0	Adopted Business Continuity Plan by 30 June 2018	Target Met: Business Continuity Plan adopted	Achieved	N/A	N/A	Q3-Topmanco Resolution and Q4-Council Resolution	Corporate Services	
1.1.e				Implementation of Back to Basics Programme	Back to Basics	Back to Basics	N/A	4	Number of Reports	4 Back to Basics Reports	Target Achieved: 4 B2B Reports were submitted to COGTA	4	0	4 Back to Basics Reports	Target Met: 4 Reports adopted by council and submitted to COGTA	Achieved	N/A	N/A	Q1-Q4: Back to Basics Reports	Office of the Municipal Manager / Development Planning and Local Economic Development
1.1.d				Implementation of Batho Pele Programme	Batho Pele Programme	Awareness Campaign	All	New Project	by Date, 30 September 2015 & 31 March 2016	Posters and Pamphlets	Target Achieved (the posters& translation was done by one service provider)	4	0	4 Awareness Campaigns	Target met: 4 Awareness Campaigns conducted	Achieved	N/A	N/A	Q1-Q4: Attendance Register and Programme	Office of the Municipal Manager/ Office of the Municipal Manager
				Municipal Service Week by 31 December 2017					R200 000	R 138 000.00		R 150 000.00	R 68 580.00						Attendance Register and Programme	Office of the Municipal Manager/ Office of the Municipal Manager
				Adopt Customer Care Policy by 31 December 2017					N/A	N/A	1	0	Municipal Service Week by 31 December 2017	Target was achieved: Municipal Service Week conducted during Q2 2017/18	Achieved	N/A	N/A	Q1-Q4: Attendance Register and Programme	Office of the Municipal Manager/ Office of the Municipal Manager	
				Development of Service Delivery Improvement Plan (SDIP) by 30 September 2017					N/A	N/A	1	0	Adopt Customer Care Policy by 31 December 2017	Target achieved: Customer Care Policy Adopted	Achieved	N/A	N/A	Q2: Council Resolution	Office of the Municipal Manager/ Office of the Municipal Manager	
1.2.a	1.2 To ensure compliance with policies and internal controls	Development and implementation of Workplace Skills Plan (Staff and Councillor Training)	Skills Development	Induction	Internal	3 report for inducted employees	Number of new staff inducted within 2 weeks of assuming duty	New Project	Induct 11 new employees	Target Achieved: All appointed employees were inducted	11	0	Staff induction (Induct 11 new employees )	Target Met: 31 employees inducted. Target over achieved due to induction of posts from resigned employees	Achieved	N/A	N/A	Top Manaco Resolution and the Plan	Office of the Municipal Manager/ Office of the Municipal Manager	
				Skills Development (Councillors and staff)	Internal	34	Number of Councillors trained		Train 39 Councillors	Target Achieved: All 39 Councillors were trained in various educational fields	39	0	39 ward Councillors trained	39 Councillors trained	Achieved	N/A	N/A	Q1-Q4: Attendance Registers	Corporate Services	
					Internal	20	Number of Employees trained		R300 000	R 153 911.00		R 300 000.00						Proof of Payment & Attendance Registers		
				Workplace skills plan	Internal	Adopted WSP	Date Adopted WSP		41 Employees	Target Achieved: 90 employees were trained in various training needs	31	0	Employee Training: 31	Target Met: 68 employees trained	Achieved	N/A	N/A	Proof of Registration, Attendance register, Invoices, and Certificates	Corporate Services	
1.2.b	Updating and monitoring of the Organogram	Human Resource Management	Organogram	Internal	Adopted Organogram	Date Adopted Organogram	Review and Adopt Organogram	Review and Adopt Organogram 30 June 2017	N/A	Target Achieved: Organogram adopted on the 29th June 2017	1	1	Review and Adopt Organogram 30 June 2018	Target Not Achieved.	Achieved	N/A	N/A	Q1: Report, Q2: Topmanco Resolution, Q3: Report Q4-Council Resolution & Letter of Acknowledgement of receipt	Corporate Services	
									N/A	N/A			N/A					Updated organogram will be adopted by Council in Q1		

2017/2018 FINANCIAL YEAR																				
UMZUMBE ANNUAL PERFORMANCE REPORT																				
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT	
									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)				
	1.2.c	Corporate branding	Formulating and review of policies and plans	Human Resource Management	Review of ICT Policy	Internal	2013 Policy	Date	N/A	N/A	1	1	Review of ICT Policy	Target Met: ICT Policy adopted	Achieved	N/A	N/A	Q1-Topmanco Resolution and Q3-Council Resolution	Corporate Services	
			Formulating and review of policies and plans	Human Resource Management	ICT Strategy	Internal	ICT Governance Framework	Date Developed ICT Strategy Adopted	Developed ICT Management Framework by 30 June 2017	Target Achieved: Adopted on the 29th of June 2017	1	0	Review of ICT Strategy by 30 June 2018	Target Met: ICT Strategy adopted	Achieved	N/A	N/A	Q2: Draft of ICT Management Framework Top Manco Resolution, Q3: Council Resolution and Framework	Corporate Services	
			Corporate branding	Marketing (Cooperate Image)	Branding	All	Community Facilities, Heritage site, Fleet, Stationery and Municipal Building	Number of branded items and facilities	Branding of 06 community facilities,	Target not Achieved	6	6	Branding: 06 Community facilities	Target Not Met.	Not Achieved	No budget	To be budgeted for next financial year	Q2: Pictures& Purchase Order	Office of the Municipal Manager / Communications Mayoralty	
			Corporate branding	Marketing (Cooperate Image)	Branding	All	Community Facilities, Heritage site, Fleet, Stationery and Municipal Building		R120 000	0	5	5	Branding: 05 Municipal vehicles	Target Not Met.	Not Achieved	No budget	To be budgeted for next financial year	Q2: Pictures& Purchase Order		
			Corporate branding	Marketing (Cooperate Image)	Branding	All	Community Facilities, Heritage site, Fleet, Stationery and Municipal Building		R100 000	0	4	4	Branding: 4 Sites for Municipal boundaries	Target Not Met.	Not Achieved	No budget	To be budgeted for next financial year	Q2: Pictures& Purchase Order		
			Corporate branding	Marketing (Cooperate Image)	Branding	All	Community Facilities, Heritage site, Fleet, Stationery and Municipal Building		R80 000	R41 040	4	4	Branding: Stationery	Target was met: Calenders, Desk calenders and diary's procured	Achieved	N/A	N/A	Q1: GRN		
			Corporate branding	Marketing (Cooperate Image)	Branding	All	Community Facilities, Heritage site, Fleet, Stationery and Municipal Building		R100 000	R 0.00	0	0	Target not met: Service provider appointed and website upgrade has been discussed at TOPMANCO but further inputs were needed	Target not met: Service provider delayed on finalisation	Not Achieved	Service provider delayed on finalisation	Website to be finalised in Q1 of 2018/19 Financial Year	GRN		
			Corporate branding	Marketing (Cooperate Image)	Branding	All	New website published		12 Website Content Reports	Target Achieved	1	1	Website Upgrade 31 December 2017						Office of the Municipal Manager / Communications Mayoralty and Youth Development	
			Corporate branding	Marketing (Cooperate Image)	Branding	All	New website published		N/A	N/A	10 Licenses	Target Achieved: 10 Licences acquired	10	0	Software Licensing (10 Licenses)	Target Met: 13 software licences renewed	Achieved	N/A	N/A	Q1-Q4 Purchase Order and ICT Asset Register
			1.3.a	Procure, maintain and monitor information technology systems	IT Upgrade	Computer software licensing	Internal	6 licenses	Number of Licenses acquired	396000	R 495 542.09	0	0	R 350 000.00	R 399 391.57					Corporate Services
			1.3.a	Procure, maintain and monitor information technology systems	IT Upgrade	Network Infrastructure Upgrade by 31 December 2017	Internal	New Project		N/A	N/A	1	0	Network Infrastructure Upgrade by 31 December 2017	Target Met: Network infrastructure upgraded	Achieved	N/A	N/A	GRN	Corporate Services
			1.3.a	Procure, maintain and monitor information technology systems	IT Upgrade	Implementation of VPN by 31 December 2017	Internal	New Project		N/A	N/A	1	0	Implementation of VPN by 31 December 2017	Target Met: VPN installed	Achieved	N/A	N/A	GRN	Corporate Services
			1.3.a	Procure, maintain and monitor information technology systems	IT Upgrade	Computer Equipment Maintenance	Internal	On-going		N/A	N/A	1	0	R 50 000.00	R 29 290.00				Q1-Q4: Maintenance Contract and GRN	Corporate Services
			1.3.a	Procure, maintain and monitor information technology systems	IT Upgrade	Computer Equipment Maintenance	Internal	On-going		N/A	N/A	1	0	Computer Equipment Maintenance	Target Met: 15 computers maintained	Achieved	N/A	N/A	Q1-Q4: Maintenance Contract and GRN	Corporate Services

2017/2018 FINANCIAL YEAR																				
UMZUMBE ANNUAL PERFORMANCE REPORT																				
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT	
									2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)						
1.5	1.5 Ensure proper management of movable and immovable assets	Maintenance of Municipal Assets	Administration and Fleet Management	Acquisition of Fleet: Vehicles	Fleet	Procurement of Municipal Fleet	Internal	4 vehicle	Number of vehicles procured	Procure 6 Vehicles	Target not met: 5 vehicles were procured	1	0	Fleet Procurement: 1 Tractor	Target Met: 2 tractors maintained	Achieved	N/A	N/A	Q2: 4 Log Books, Q3: 2 Log Books	Corporate Services
										R3 100 000	R 2 011 162									
										R 850 000	R 619 822.00									
										R 2 300 000	R 2 777,319.28									
			Fleet Procurement: 5 Vehicles	Internal	14	Number of vehicles procured				Procure 6 Vehicles	Target not met: 5 vehicles were procured	5	2	Fleet Procurement: 5 Vehicles	Target not Met: 3 vehicles procured	Not Achieved	Target was changed to allow for the acquisition of Political Bearers Vehicles	Procurement of the 5 Vehicles to be finalised in 2018/19 Financial year	Q3: Appointment letter Q3: Log books	Corporate Services
										R3 100 000	R 2 011 162									
			Registry Management	Boom Gate 31 December 2017	Internal	1				N/A	N/A	1	0	Boom Gate 31 December 2017	Target met: Boomgate procured	Achieved	N/A	N/A	GRN	Corporate Services
										N/A	N/A									
			Construction and Maintenance of Municipal Offices	Finance and Administration: Asset Management	New Offices Construction: 290m of stormwater pipes installed, 120m of sewerage pipe and 180m of water pipe installed and 104 piles	All	Earthworks	Meters and Number	N/A	N/A	1	1	New Offices Construction: 290m of stormwater pipes installed, 120m of sewerage pipe and 180m of water pipe installed and 104 piles	Excavations has been completed, currently busy with drilling, overall progress is 29% completed	Not Achieved	Contractor was appointed 26 March 2018	Project to be completed on the 19 October 2019 as per contract for 2018/19	Q2: Appointment letter, Q4: Completion certificate	Technical Services Department	
										R 11 000 000.00	R 2 154 066.38									
										R 200 000.00	N/A									
										R 70 000.00	R 61 000.00									
			Registry Management	Filing Steel Rack	Internal	1	Number	2	N/A	N/A	2	0	Filing Steel rack	Target Met: Filing rack procured in June 2017	Achieved	N/A	N/A	Purchase Order	Corporate Services	
										N/A	N/A									
			Construction and Maintenance of Municipal Offices	Security Appointment by 30 September 2017	Internal	1 Secutiy Company	Date		N/A	N/A	1	1	Security Appointment by 30 September 2017	Target not met: tender advertised but appointment not yet made.	Not Achieved	Finalisation of Tender processes delayed.	Tender processes to be finalised in 2018/19 Financial Year	Contract and GRN	Corporate Services	
										R 1 700 000.00	R 0.00									
			Acquisition of fleet	Roads maintenance equipment	Plant and Equipment	All	4 Graders, 1 Tipper Truck, 1 Excavator acquired, and TLB	Date of Acquisition	1 Loadbed by 30 June 2017	Target Achieved: 1 Loadbed procured	1	0	1 Roller and Watercart by 30 June 2018	Target Met: 1 roller and 1 watercart procured	Achieved	N/A	N/A	Q2: Tender Advert, Q2: Appointment letter, Q3: Log book	Corporate and Technical Services Department	
										R 2 600 000	R 2 231 236									
										R 3 000 000.00	R 3 125 542.16									

2017/2018 FINANCIAL YEAR																			
UMZUMBE ANNUAL PERFORMANCE REPORT																			
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT
2.1.g	6.1 To ensure universal access to basic services and infrastructure delivery	To construct and maintain community access roads	Roads maintenance equipment	Road Maintenance	1,2,3,4 & 6	Gravelling 10km's of roads associated storm water structures	Km of roads maintained	Gravelling 1,5 km's of roads associated storm water structures	2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)					
									N/A	N/A	1	0	Developed Legal Risk Minimization Strategy by 31 December 2017	Target Met: Legal Risk Minimization Strategy adopted	Achieved	N/A	N/A	Q1: Topmanco Resolution and Q3: Council Resolution	Corporate Services
									N/A	N/A	4	0	4 Legislative awareness Reports	Target Met: 4 Legislative awareness reports adopted by Manco	Achieved	N/A	N/A	Q1-Q4: TOP MANCO Resolution	Corporate Services
									N/A	N/A	4	0	Discipline at workplace: Work Reports	Target Met: 4 Discipline at workplace reports adopted by Manco	Achieved	N/A	N/A	Q1-Q4: TOP MANCO Resolution	Corporate Services
									N/A	N/A				N/A					
									N/A	N/A	4	0	Develop legislation checklist: 4 Reports	Target Met: 4 legislation checklist: reports adopted by Manco	Achieved	N/A	N/A	Q1-Q4: TOP MANCO Resolution	Corporate Services
									N/A	N/A				N/A					
									N/A	N/A	4	0	Develop legislation checklist: 4 Reports	Target Met: 4 Litigation reports adopted by Manco	Achieved	N/A	N/A	4 Reports (Q1-Q4)	Corporate Services
									N/A	N/A				N/A					
									N/A	N/A	4	0	Compliance Checklist Reports: 4	Target achieved: 4 reports submitted to TOP MANCO	Achieved	N/A	N/A	Q1-Q4: Top Resolutions	Office of the Municipal Manager
									N/A	N/A				N/A					
									N/A	N/A	1	0	Risk Register by 30 September 2017	Target Achieved: Risk Register adopted by council	Achieved	N/A	N/A	Q1: Council Resolution	Office of the Municipal Manager/ Internal Audit
									N/A	N/A				N/A					
BASIC SERVICE DELIVERY AND INFRASTRUCTURE																			
6.1.a	6.1 To ensure universal access to basic services and infrastructure delivery	To construct and maintain community access roads	Roads maintenance equipment	Road Maintenance	1,2,3,4 & 6	Gravelling 10km's of roads associated storm water structures	Km of roads maintained	Gravelling 1,5 km's of roads associated storm water structures	Target not Achieved 800m/ 1.5 km's maintained	10km	8.5km	Gravelling and Stormwater: 8km	Target not met: 1.5km of shaping completed, overall progress is 25% completed	Not Achieved	Target not met due to initial contractor declining the appointment and the new contractor being appointed in 11 May 2018.	Project to be completed on the 11 December 2018 as per the contract	Q3: Appointment Letter Q4: Practical Completion Certificate	Technical Services	
									R 3 000 000.00	R 1 317 911.36									
									N/A	N/A	1	1	Financial Misconduct Reporting Policy (Unauthorized irregular fruitless and wasteful expenditure Policy) by 31 March 2018	Target Met: Unauthorized irregular fruitless and wasteful expenditure Policy adopted	Achieved	N/A	N/A	Q2-Topmanco Resolution and Q3-Council Resolution	Corporate Services
									N/A	N/A				N/A					
6.1.b	6.1 To ensure universal access to basic services and infrastructure delivery	To construct and maintain community access roads	Roads maintenance equipment	Road Maintenance	1,2,3,4 & 6	Gravelling 10km's of roads associated storm water structures	Km of roads maintained	Gravelling 1,5 km's of roads associated storm water structures	Target not Achieved: Earthworks, roadbed preparation, gravel wearing course, stormwater, bridge bases and piers	1 and 2km road	0	New bridge and 2km of new road ( Ntatsana Access Road)	Target achieved: 1 number of new bridge and 2km of new road has been constructed and completed	Achieved	N/A	N/A	Q1- Progress report, Gchart Q2 Practical completion Certificate	Technical Services	
									R 11 568 295.91	R 17 019 885.85									
									N/A	N/A	2.5km	2.5km	Construct 2,5 kms of subbase layer (Nczazolo Access Road)- Phase1	Target not achieved: Site Establishment completed, contractor is busy with clearing and grubbing. Overall progress is 8%	Not Achieved	Project was delayed by appeal with Contractor appointed 14 May 2018	It a multiyear project, it will be completed in May 2019	Q2: Designs & tender advert, Q3: Appointment letter, Q4: Progress	Technical Services
									N/A	N/A				R13 933 021.57					

2017/2018 FINANCIAL YEAR																							
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IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT				
									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)							
									Construct 2.4 kms of new access road Isipofu Access Road Phase 2	8	1,1 kms constructed	Km of new access road constructed	N/A	N/A	2.4kms	0	Construct 2.4 kms of new access road Isipofu Access Road Phase 2	Target achieved: 2.4 kms of new access road Isipofu Access Road Phase 2 Constructed and completed R 4 907 322.91	Achieved	N/A	N/A	Q1: Appointment Letter, Q2: Progress Report, Photos, and Gant Chart Q3: Progress Report, Photos, and Gant Chart, Q4: Practical Completion certificate	Technical Services
									Mfazazana Bridge	17	New Project	No of new bridge constructed	Constructed 1 No of new bridge	Target Not Achieved	1	1	Constructed 1 No of new bridge (Mfazazana Low level Bridge)	Target achieved: 1 No of new bridge constructed and completed R 1 857 866.92	Achieved	N/A	N/A	Q1: Tender Advert, Q2: Appointment Letter, Q3: Progress Report, and Gant Chart, Q4: Practical Completion Certificate	Technical Services
									Acquisition of Furniture	All	5	Number of Community Facilities provided with Chairs and tables	4 Community Facilities provided with Chairs and tables	Target Achieved	5	5	Furniture provided to 5 Community Halls	Target not met: 0 out 5 Halls furnished R 304 000.00	Not Achieved	There was no budget allocated for this project with further omissions made during budget adjustment	To budget on the 2018/19 financial year	Q3: Purchase Order and Report	Social Development and Community Services / Community Services
									Maintain Halls (100% payment 38 Women)	All	100%	Percentage	Maintain Halls (100% payment 38 Women)	Maintain Halls (100% payment 38 Women)	38	0	Maintain Halls (100% payment 38 Women)	Target Not met: 36 Women paid for community hall maintenance R 456 000.00	Not Achieved	Resignation of two women and 36 women were left in the programme.	Project name will be renamed to do away with tying up to the number of people	Q1-Q4: 3 months payment schedule	Social Development and Community Services / Community Services
									Construction of Rossetenville Hall	14	1 Hall Refurbished	Number of halls Constructed	N/A	N/A	1	1	Construction of Rossetenville Hall	Target not achieved: Evaluation confirmed minuted on the 05 June 2018, it currently awaiting adjudication R 4 100 000.00	Not Achieved	Tender Non-Responsive and had to be re-advertised. The delays were to some degree due to lack of forward planning in so far as the construction of community halls is concerned.	Close monitoring and implementation of procurement plan. The project will however be implemented in 2018/19 financial year	Q2: Appointment Letter, Q3: Progress Report, Q4: Completion certificate	Technical Services
									1 Hall Refurbished (Mnafu Hall)	19	New Project	Number	N/A	N/A	1	1	1 Hall Refurbished (Mnafu Hall)	Target not achieved: Evaluation confirmed minuted on the 05 June 2018, it currently awaiting adjudication R 4 100 000.00	Not Achieved	Change of project location and re-advertisement. The delays were to some degree due to lack of forward planning in so far as the construction of community halls is concerned.	Project to be implemented in 2018/19 financial year. The project will however be implemented in 2018/19 financial year	Q2: Appointment Letter, Q3: Progress Report, Q4: Completion certificate	Technical Services
									Inkanini Indoor Sports Centre Phase 2: Complete 100% Building finishes and external work, Electricity and Wet Services connected	18	Building walls and roof	Percentage Completion	N/A	N/A	1	1	Inkanini Indoor Sports Centre Phase 2: Complete 100 % Building finishes and external work, Electricity and Wet Services connected	Target not Achieved: First Floor Brickwork 90%, Plastering 88%, Firsfloor Slab 20%, Plumbing 55%, Stormwater drainage, 90%, Roof 35%, Septic Tank 90%; R 5 500 000.00	Not Achieved	Delays in the appointment of Sub-contractor for Roof Structure and interruptions by Umzumbe Business Forum	Revised completion date for the project is 31 March 2019 approved by council	Q1:Practical Completion certificate; Q2: Completion certificate Q4: Final completion certificate	Technical Services
									Construct Outdoor Sport Pitch: Inkanini Sport Ground	18	New Project	Number	N/A	N/A	1	1	Construct Outdoor Sport Pitch: Inkanini Sport Ground	Target not Achieved: Tender advertised could not find successful bidder, tender re-advertised and closed: 22/06/2018 R 14 000 000.00	Not Achieved	Project was re-advertised as there was not successful bidder	Project to be implemented in 2018/19 Financial Year	Q2: Appointment Letter, Q3: Progress Report, Q4: Final completion certificate	Technical Services
									Mbiyana Phase 1: 232 households connected	9	New Project	Number of households connected	252 households connected at Mbiyana	Target Achieved: Excavations and planting of poles completed, awaiting energising R 4 800 000.00	40	0	Mbiyana Phase 2: 40 households connected	Target Achieved: Mbiyana Phase 2: 60 households connected R 1 000 000.00	Achieved	N/A	N/A	Q2: Progress Report, Q3: Progress Report, Q4: Completion certificates	Technical Services
									Ekubusweni Phase1	9	New Project	Number of households connected	48 households connected at Ekubusweni	Target Achived: 48 Connections achieved R 1 200 000.00	104	63	Ekubusweni Phase 2: 104 households connected	Target not Achieved: 41 households were connected could not connect full 104 as some houses were abandoned. R 2 600 000.00	Not Achieved	Some houses were abandoned due to relocated households	Balance of connections to be taken to other arrears with backlog	Q2: Progress Report, Q3: Progress Report, Q4: Completion certificates	Technical Services

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IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT			
									CURRENT YEAR													
									2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)								
				Mahlaya	8	New Project	Number of households connected	160 households connected at Mahlaya Village	Target Not Achieved: 121 Connections achieved, 39 connections to be achieved on the 20th July 2017	140	33	Mahlaya Phase 2: 140 households connected at Mahlaya Phase2	Target not Achieved: 107 connections were achieved could not connect full 140 as some houses were abandoned	Not Achieved	Some houses were abandoned	Balance of connections to be taken to other arrears with backlog	Project Plan Q2: Progress Report, Q3: Progress Report, Q4: Completion certificates	Technical Services				
								R 4 000 000.00	R 2 367 277.88			R 3 500 000.00	R 2 005 594.65									

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IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT
									2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)					
Basic Service Delivery and Infrastructure	Facilitation and project management of rural housing development	Human Settlements	Facilitation and project management of rural housing development		Magwaza Phase 1: 116 households connected	8	New Project	Number of households connected	N/A	N/A	116	0	Magwaza Phase 1: 116 households connected	Target Achieved: 116 households connected	Achieved	N/A	N/A	Q2: Progress Report, Q3: Progress Report, Q4: Completion certificates	Technical Services
					Mbiyana Phase 2: 40 households connected	8	232 households connected at Mbiyana	Number of households connected	N/A	N/A	40	0	Mbiyana Phase 1: 40 households connected	Target: Achieved: 60 households connected	Achieved	N/A	N/A	Q1: Completion certificates	Technical Services
					Eskom Electrification Reports	All Wards	4 Eskom Reports	Number of Reports	N/A	N/A			Eskom Electrification Reports	Target Achieved: 4/4 reports received		N/A	N/A	Q1-Q4: Progress Reports	Technical Services
					N/A	N/A							N/A	N/A					
					Nhlangwini	4	Site Established,	Number of Reports	178 houses constructed	The actual annual Target has not been met	4	N/A	Report on the Construction of 50 houses constructed (Nhlangwini)	Target Met: 4 Reports submitted	Achieved	N/A	N/A	Q1-Q4 Reports	Technical Services
					Cluster C Phase 1	1, 2, 3 and 6	Beneficiaries Approved	Number of Reports	400 houses constructed	The actual annual Target has not been met due to varius challenges faced by the project.			Reports on the Construction of 300 Houses Constructed (Cluster C Phase 1)	Target Met: 4 Reports submitted		The Implementing Agent establish the site later with regard to our anticipated time frame.	N/A	Q1-Q4 Reports	Technical Services
					Cluster B Phase II	5,7,12,13 and 14	1400 Beneficiaries Approved	Number of Reports	Approval of the Project	Target not met	N/A	N/A	Reports on Approval for Construction. (Cluster B Phase 2)	Target not Met: 4 Report submitted	Not Achieved	Issue of SCM documentation	Proper engagement with all stakeholders such as SALGA and Human settlement	Q1-Q4 Reports	Technical Services
					Approval for Construction. (Cluster B Phase 2)	Cluster B	1402 Beneficiaries Approved	Number of Reports	N/A	N/A			Reports on Approval for Construction. (Cluster A Phase 2)	Target met: 4 Report submitted		N/A	N/A	Q1-Q4 Reports	
					Approval for Construction. (Cluster D Phase 2)	Cluster D	1404 Beneficiaries Approved	Number of Reports	N/A	N/A	N/A	N/A	Reports on Approval for Construction. (Cluster D Phase 2)	Target met: 4 Reports submitted	Achieved	Issue of SCM documentation	Proper engagement with all stakeholders such as SALGA and Human settlement	Q1-Q4 Reports	
					30 Units Constructed (Operation Sukuma Sakhe Ward 12)	Ward 12	Contractor Established	Number of Reports	N/A	N/A			N/A	N/A		N/A	N/A	Q1-Q4 Reports	
	Sport fields maintenance (Grass cutting)				Sport fields maintenance (Grass cutting)	All Wards	25 Municipal Sports field grass cutting was done 2013/2014	Number of sports fields	60 sports field Cleaned (Q2-Q3)	Target Achieved: 81 Sports Fields Cut	60	0	Sports Fields Maintenance: 60	Target met: 80 sportsfield were cut. 41 sportfield were cut in Q2 and 39 sportfield were cut in Q3	Achieved	N/A	N/A	Q2-Q3:invoices and letters from Clrs	Social Development and Community Services / Community Services
									R 424 000.00	R506 700.00			R 466 400.00	R491270 00					
					Mnafu Sportfield: 1 sportfield fenced	19	1 Sportfield Upgraded	Number of sportfields upgraded	N/A	N/A	1	0	Mnafu Sportfield: 1 sportfield fenced	Target Achieved: Mnafu Sportfield: 1 sportfield fenced and completed	Achieved	N/A	N/A	Q2: Tender Advert, Q3: Appointment Letter, Q4: Completion certificate	Technical Services
					Nomakhanzana Sportfield: 1 sportfield fenced and grased	15	1 Sportfield Upgraded	Number of sportfields upgraded	N/A	N/A			R 100 000.00	R 64 737.00					
					Isibanini Sportfield: 1 sportfield with retaining wall and concrete lined drain	10	1 Sportfield Upgraded	Number of sportfields upgraded	N/A	N/A	1	1	Nomakhanzana Sportfield: 1 sportfield fenced and grased	Target not Achieved: Fencing is completed, overall construction progress is 90%	Not Achieved	Target not achieved due to delays, as the lowest bidder awarded had tendered for an amount of R1 889 393,2 whereas the budget was R1,43 million. The negotiations to lower the price caused the delay.	Project to be completed on the Q1 2018/19 FY as per the contract	Q2: Tender Advert, Q3: Appointment Letter, Q4: Completion certificate	Technical Services
													R 800 000.00	R 704 265.75					
									N/A	N/A	1	0	Isibanini Sportfield: 1 sportfield with retaining wall and concrete lined drain	Target Achieved: Isibanini Sportfield completed	Achieved	N/A	N/A	Q2: Tender Advert, Q3: Appointment Letter, Q4: Completion certificate	Technical Services
													R 400 000.00	R 166 945.50					

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IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT			
									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)						
2.2.f	Provision of free basic services: electricity and gel using indigent registers (8 and 11)								All	New Project	Number	N/A	N/A	5	0	Cemeteries: 5 Consultative Workshops	Target met the workshop for Cluster D was held in April at St Faiths Hall.	Achieved	N/A	N/A	Attendance Register, Report and Programme	Social Development and Community Services / Community Services
									N/A	N/A					R125 600.00	R 115 350.00						
									All	New Project	Date	N/A	N/A	1	0	Park Development: 1	Target not met: Fencing not done Sosukwane Ward 16	Not Achieved	Appointment of the service provider was delayed due to limited budget thus the specification was changed	The service provider has been appointed and is finalizing	GRN, Pictures and Report	Social Development and Community Services / Community Services
									N/A	N/A					R 200 000.00	R 0.00						
									All	New Project	Number	N/A	N/A	1	0	Parks Workshop:1	Target met: Parks Workshop held on 13 November 2018	Achieved	N/A	N/A	Attendance Register, Report and Programme	Social Development and Community Services / Community Services
									N/A	N/A					R 100 000.00	R20 400.00						
									11 & 12	206 Households benefited per quarter	Number of Households	Provide Gel to 200 Households per Quarter	Target met	600	0	Gel and Stoves Provision: 300 HH and 300 Stoves	Target Not Achieved: 296 Gel and 296 Stoves provided to the community	Not Achieved	Some households had already been connected with electricity	Review indigent register	Q1-Q4: Purchase Order and Distribution Register	Social Development and Community Services / Community Services
															R400 000.00	R313 600.00						
									All wards	4 000 Electricity Tokens per month	Number of Households receiving Free Basic Electricity	Provide 4 000 indigent Households with Electricity Tokens (48 000 tokens) Monthly	Target not met: 40 296 tokens distributed	3300	Electricity Tokens: 3300 HH	Electricity Tokens Provided to 3300 HH per month	Target not met: 38164 out of 39600HH	Not Achieved	Number of claiming beneficiaries did not reach the targeted number.	to be measured as per payment done	Q1-Q4: Monthly Invoices and Distribution Register	Social Development and Community Services / Community Services
															R2 400 000.00	R2 218 578.28						

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IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT
									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)			
6.3.a	6.3 Ensure Environmental protection and sustainability			Energy Master Plan by 31 March 2018	Energy Master Plan by 31 March 2018	All wards	2013 Energy Master Plan	Date	N/A	N/A	1	0	Energy Master Plan by 31 March 2018	Target Achieved: Energy Master Plan was Reviewed and adopted by Council on the 22 June 2018	Achieved	N/A	N/A	Q2: Appointment Letter, Q3: Reviewed Energy Master Plan	Technical Services
				Review Housing Sector Plan by 31 March 2018	Review Housing Sector Plan by 31 March 2018	All wards	2013 Housing Sector Plan	Date	N/A	N/A	1	0	Review Housing Sector Plan by 31 March 2018	Target Achieved: Housing Sector Plan was Reviewed and adopted by Council on the 22 June 2018	Achieved	N/A	N/A	Q2: Appointment Letter, Q3: Reviewed Housing Sector Plan	Technical Services
				Review Infrastructure Master Plan by 31 March 2018	Review Infrastructure Master Plan by 31 March 2018	All wards	2009 Infrastructure Master Plan	Date	N/A	N/A	1	0	Review Infrastructure Master Plan by 31 March 2018	Target Achieved: Infrastructure Master Plan was Reviewed and adopted by Council on the 22 June 2018	Achieved	N/A	N/A	Q2: Tender Advert, Q3: Appointment Letter, Q4: Infrastructure Management Plan	Technical Services
		Collection of solid waste in major nodes	Waste management	Refuse removal	3,6,10, 16 & 19	Waste collected aim Wards 3,6,10,16 and 19	Number of collections twice a month		192 collections	Target Met: 230/192 Collections	200	0	Solid Waste Collection: 200 collections	Target Achieved: 206 collections achieved	Achieved	N/A	N/A	(Q1-Q4): Collection register and Purchase Order	Technical Services
									R 2 683 000.00	R 403 067.80			R 2 850 000.00	R 1,915,129.00					
LOCAL ECONOMIC DEVELOPMENT																			
4.1.b	4.1 Improving the quality of life and reducing absolute poverty	Implement poverty alleviation programmes	Poverty Alleviation	One home one garden	All wards	95 (5 HH per Ward)	Number of Household distributed with one home one garden starter Pack	200 (10 HH per Ward) Households distributed with one home one garden starter (Watering can, wheelbarrow, spade, falk, hoe, seed pack and manure)	Target Achieved	200	0	One-Home-One-Garden: 200 HH (Watering can, wheelbarrow, spade, falk, hoe, seed pack and manure)	Target met: 200HH provided with equipment and material.	Achieved	N/A	N/A	Q2-Q3: Distribution register & Purchase Order	Social Development & Community Services / Community Services	
									R 200 000.00			R 344 000.00	R 344 000.00						
				Seed distribution	All wards	700 (the number of beneficiaries)	Number of beneficiaries benefited from the seed packs distribution	800 beneficiaries supported with seed packs distribution	Target Achieved	800	0	Seeds Support: 800 HH	Target met: 800HH provided with Seed Support	Achieved	N/A	N/A	Q2-Q4: Distribution List and Purchase Order	Social Development & Community Services / Community Services	
									R 150 000.00			R 157 500.00	R 102 382.00						
				Indigent support	All wards	80	Number of indigent families supported	4 Indigent Support Reports	Target Achieved	4	0	Indigent Relief: 4 Reports	Target met: 4/4 reports done	Achieved	N/A	N/A	Q1-Q4: Reports and Distribution List	Social Development & Community Services / Community Services	
									R 600 000.00			R 600 000.00	R 200 597.49						
				12 EPWP Reports	All wards	12	Number	N/A	N/A	12	0	12 EPWP Reports	Target Achieved: 12/12 EPWP Reports submitted done	Achieved	N/A	N/A	Q1-Q2: Reports	Technical Services	
												1,291,000.00	1,291,000.00						
4.4.a	4.4.Increased Food Security	Agricultural support and development	School Greening	School Greening	All Wards	New Project	Number of schools distributed with garden inputs	20 schools supported with gardens inputs	Target met	20	0	Schools-Gardens-Inputs: 20 Schools	Target met: 20 School Gardens provided with inputs	Achieved	N/A	N/A	Q1: Needs Assessment Report/Schools List, Q2: Distribution List and Purchase Order	Social Development & Community Services / Community Services	
									R 200 000.00			R 220 000.00	R 124 520.00						
4.2.a	4.2 Restore and preserve local history and cultural development	Development and Implementation of Tourism Plan	Tourism Development	Commemoration of Heritage Sites	10 & 15	2 Events	Number of Events conducted	2 Heritage Commemoration Events (Ntelezi and Isivivane)	Target Achieved	1	0	Isivivane Senkosi uShaka a heritage event by 30 June 2018	Target met : Event held on 19 May 2018	Achieved	N/A	N/A	Q3 and Q4 Programme of the Day with Concept document	Office of the Municipal Manager / Local Economic Development	
									R 700 000.00			R 400 000.00	R 365 369.55						
				Service Level Agreements	N/A	New project	by Date	2 Signed SLA with South Coast Tourism & South Coast Development Agency by 30 June 2017	Target Achieved	1	0	SLA SCT and USCDA by 31 March 2018	Target achieved : Signed SLA between SCT and USCDA done	Achieved	N/A	N/A	Signed SLA	Office of the Municipal Manager / Local Economic Development	
									R 1 000 000.00			R 1 100 000.00	R 1 114 692.00						

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IDP Ref	National Key Performance Area	Objective	Strategy	Programme	Project	Ward	Baseline / Status Quo	KPI Measure	Previous and Current Year Comparison						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit																
									2016/17 (Target)		2016/17 (Actual)		Demand		2017/18 (Target)		2017/18 (Actual)																		
									Current Year																										
3.2.c	Local Economic Development	4.3 Create an environment that promotes development of local economy (SMME development)	Implementation of LED strategy	LED Forum	LED Forum Quarterly Meetings	All	4 LED Forum meetings held	Number of LED Forum Meetings held	2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)		Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit										
									2016/17 (Target)		2016/17 (Actual)		Demand		2017/18 (Target)		2017/18 (Actual)																		
									Current Year																										
									2016/17 (Target)		2016/17 (Actual)		Demand		2017/18 (Target)		2017/18 (Actual)																		
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
									Current Year																										
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
4.4.a	4.4 Increased security food	Agricultural support and development	Community Gardens	10 Community Gardens cultivated	2 per cluster	6 community gardens were cultivated	Number of Community Gardens Supported	Support 4 community Gardens	2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)	Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit											
									Current Year						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
2.1.a	2.1 To improve the overall financial management in the Municipality by developing and implementing appropriate financial management policies, procedures and systems	Preparation of Annual Budget	Budget, Reporting & Compliance	2016/2017 Annual Budget	N/A	Adopted by 31 May	Date 2016/2017 Annual Budget approved	Approved 2017/2018 Annual Budget by 31 May 2017	2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)	Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit											
									Current Year						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
									2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)																
2.1.i	Conduct Mid- year Budget / SDBP Performance Review	Mid term performance assessment and adjustment budget for 2015/2016	N/A	Adopted by 31 January	Date 2015/2016 performance assessment and adjustment budget Approved	Approve 2016/2017 performance assessment and adjustment budget by 25 January 2017	2016/17 (Target)						Demand		2017/18 (Target)		2017/18 (Actual)	Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit													
							Current Year								Demand		2017/18 (Target)		2017/18 (Actual)																

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IDP Ref	National Key Performance Area	Objective	Strategy	Programme	Project	Ward	Baseline / Status Quo	KPI Measure	Previous and Current Year Comparison						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit			
									2016/17 (Target)	2016/17 (Actual)	Current Year	Demand	Backlog	2017/18 (Target)	2017/18 (Actual)							
2.1.c	Municipal Financial Viability and Management	Preparation of monthly budget statements in terms of section 71 of the MFMA					Monthly Budget Statements in terms of section 71 of the MFMA	N/A	Approved monthly	No of Monthly Financial Reports Submitted to the Accounting Officer and Provincial Treasury	12 Monthly Financial reports submitted to the Accounting Officer and Provincial Treasury	Target achieved: 12 reports submitted	12	0	12 Monthly Financial reports submitted to the Accounting Officer and Provincial Treasury	Target achieved: 12/12 Monthly financial reports submitted to EXCO	Achieved	N/A	N/A	Monthly reports and EXCO Resolution (Q1-Q4)	Finance Department / Budget, Revenue & Treasury unit	
2.1.d																						
2.1.j		Preparation of GRAP compliant annual financial statements					2014/2015 GRAP compliant annual financial statements	N/A	Submitted by 31 August	Date of submission of Annual Financial Statements for 2014/2015	Annual Financial Statements for 2015/2016 submitted by 31 August 2016	Target achieved:Submitted AFS on 31 August 2016	1	0	Annual Financial Statements for 2016/2017 submitted by 31 August 2017	Target achieved: AFS done	Achieved	N/A	N/A	Q1: Acknowledgement of Receipt and copy of AFS 2014/2015	Finance Department / Budget, Revenue & Treasury unit	
2.1.f																						
2.1.k		Implementation of Supply Chain Management Policy					Transactions Management	Cashbooks	N/A	12	Number of cash books	12 Updated cash books	Target achieved: 12 cash books prepared	12	0	12 Updated cash books	Target achieved: 12 cash books prepared	Achieved	N/A	N/A	Cash book (Q1-4)	Finance Department / Expenditure & Assets unit
2.1.g		Development of Annual Procurement Plan					Annual Procurement Plan	N/A	Developed procurement plan	Date of approval of Procurement Plan	Approved Procurement Plan by 30 June 2017	Target achieved: adopted on the 20 June 2017 TOPMANCO	1	0	Approved Procurement Plan by 30 June 2018	Target achieved, Adopted on 25th June 2018 at TOPMANCO	Achieved	N/A	N/A	Procurement plan and Topmanco Resolution	Finance Department / Supply Chain Management unit	

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									2016/17 (Target)		2016/17 (Actual)		Demand		Backlog		2017/18 (Target)		2017/18 (Actual)												
									N/A		N/A		N/A		N/A		N/A														
2.1.h			Timeous payment of service providers upon receipt of invoices (30 days)	Expenditure Management	Payment of Service providers upon receipt of invoice	N/A	Payments made within 30 days	Percentage payment of service providers within 30 days on receipt of invoice	100% payment of service providers within 30 days on receipt of invoice		Target not achieved		100%	10%	100% payment of service providers within 30 days on receipt of invoice		Target not achieved:		Not Achieved	Experienced challenges with regard to the MSCOA system which delayed some payments. Liasing with software vendors & Treasury to assist and rectify problems experienced. More training to be provided to staff.	Q1-Q4: Payment vouchers report	Finance Department / Expenditure & Assets unit									
2.2.a									N/A		N/A				N/A		N/A														
2.3.a									3 post billing report and 1 approved valuation roll		Target achieved: 3 post billing report and 1 approved valuation roll prepared		4 post billing 1 GVR	0	4 post billing reports and 1 approved General valuation roll		Target achieved		Achieved	N/A	N/A	Q1: Valuation roll Q2-Q3: Billing reports	Finance Department / Budget, Revenue & Treasury unit								
									R 273 100		R 178 056				N/A		N/A														
	Good Governance and Public Participation																														
3.1.a		Good Governance and Public Participation	3.1 To ensure an environment free of fraud and corruption	Reporting fraud and corruption	Fraud and anti-corruption	Reports Compilation	N/A	4 Progress reports on reported issues	No of progress reports on fraud and corruption issues	4 progress reports on fraud and corruption issues		Target Achieved		4	0	4 Ethics, Fraud and Corruption Reports		Target was achieved		Achieved	N/A	N/A	Q1,Q2,Q3 and Q4 Progress Report	Office of the Municipal Manager/Internal							
3.2.a										N/A		N/A				N/A		N/A													
			3.2 To entrench a culture of accountability, participation and good governance	Attending queries as reported on presidential Hotline	Presidential Hotline	Attend Presidential Hotline	N/A	4	Number of presidential report submitted to Council	4 Presidential Hotline Reports		3 out of 4 Reports		4	0	4 Presidential Hotline Reports		Target met: 4 reports were tabled to Council during the 2017/18 FY		Achieved	N/A	N/A	Council Resolution	Office of the Municipal Manager/Office of the Municipal Manager							
										N/A		N/A				N/A		N/A													
										4 Youth Council Meetings		Target Achieved: 4/4 Meetings		4	0	4 Youth Council Meetings		Target Met: 4/4 meetings held		Achieved	N/A	N/A	(Q1-Q4): Attendance Registers and Minutes								
										R 40 000.00		R 5 800.00				R 30 000.00		R 10 800.00													
										4 Career Subject Selection seminar		Conduct Career Subject Selection Seminar for Grade 9		Date	Career Subject Selection Seminar in Quarter 1		Target Met		1	0	Career Subject Selection Seminar		Target Met: Event Held 02 August 2017		Achieved	N/A	N/A	Attendance Register and Program			
										R 70 000.00		R 5 500.00				R 70 000.00		R 21 000.00													
										1 Youth Special General Meeting		Target Achieved: 1/1		1	0	Special General Meeting		Target met: Meeting held in Q1		Achieved	N/A	N/A	Q1: Attendance Registers and Minutes								
										R 40 000.00		R 34 000.00				R 50 000.00		R 17 620.00													
										10 Umzumbe Local Sport Confederation Meetings		Target not Achieved: 6/10 meeting achieved		10	1	10 Umzumbe Sport Confederation Meetings		Target was not achieved. Only 9 meetings were		Not Achieved	Quorum could not be met due clash of municipal events		To be done in 2018/19 FY		Q1-Q4: Attendance Register and Minutes						
										R 40 000.00		R 7 000.00				R 30 000.00		R 13 600.00													
										Queen of High Schools Life Skills Programme		New project		Date	2 Queen of High School Events held		Target Met		1	0	Queen of High Schools		Target Met: Event held 26 June 2018		Achieved	N/A	N/A	Q1 & Q4: Attendance Register, concept document and Program	Office of the Municipal Manager/ Youth Development		
										R 100 000.00		R 101 403.50				R 250 000.00		R 122 617.00													
										Young women empowerment seminar		Annual 2 day Seminar held with 80 young women participants		Date	Annual 2 day Young Women Empowerment Seminar		Target Met		1	0	Young Women Empowerment Seminar		Target met: Event held on 18 19 August 2017		Achieved	N/A	N/A	Attendance Register, concept document and Programme	Office of the Municipal Manager/ Youth Development		
										R 100 000.00		R 174 500.00				R 150 000.00		R 146 425.00													
										SALGA GAMES Tournament		SALGA Games conducted annually		Date SALGA Games conducted through Tournaments on different sport Codes	Conduct SALGA Games for participants in different sport codes		Target Met		1	0	SALGA Games		Target achieved: Event held on 7-11 December 2017		Achieved	N/A	N/A	Attendance Register and Report	Office of the Municipal Manager/ Youth Development		
										R 360 000.00																					

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									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND		BACKLOG		2017/18 (TARGET)							
									2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)										
									Exam Prayers	All	Annual exam prayers conducted per cluster	Date	Conduct 4 Exam Prayers by 31 October 2016	Target Met	1	0	Umzumbe Grade 12 Exam Prayers Sessions: 5	Target Met: Event held 12 October 2017	Achieved	N/A	N/A	Attendance Register, concept document and Programme	Office of the Municipal Manager/ Youth Development	
									R 300 000.00	R 157 000.00			R 50 000.00	R 180 100.00										
									Youth in Business Indaba	All	Annual Youth in Business Indaba in 2014/15 financial year	Date	Conduct Youth in Business Indaba by 30 June 2017	Target Met	1	0	Youth in Business Indaba by 30 June 2018	Target met: Event held 01-02 June 2018 ST Micheals Hotel	Achieved	N/A	N/A	Q4: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development	
									R 250 000.00	R 143 150.00			R 160 000.00	R 141 500.00										
									Umzumbe Beach Games	All	Annual Beach Games conducted per annum	Date Umzumbe Beach Games Conducted	Conduct Umzumbe Beach Games 31 March 2017	Target Met	1	1	Umzumbe Beach Games	Target Not Met	Not Achieved	Project was discontinued	N/A	Q3: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development	
									R 350 000.00	R 293 886.58			R 400 000.00	N/A										
									Umzumbe Matric High Achievers Awards	All	Umzumbe Top 10 Matriculants awarded based on their performance in NSC examination results	Date Matriculate Ceremony held	Conduct Matric Ceremony by 31 March 2017	Target Met	1	0	Umzumbe Matric High Achievers	Target met: event held in Q3	Achieved	N/A	N/A	Attendance Register, Programme and Concept Document	Office of the Municipal Manager/ Youth Development	
									R 150 000.00	R 86 240.80			R 150 000.00	R 118 736.74										
									Mayoral Tertiary Registration Fess	All	148 learners assisted with Tertiary registration fees in 2013/2014 financial	Number of learners assisted with registration fees	100 learners assisted with Registration Fees	Target Met	100	0	Tertiary Registration Assistance: 100 Students	Target met: Registration done	Achieved	N/A	N/A	Q3: Contract, and Proof of Payment	Office of the Municipal Manager/ Youth Development	
									R 650 000.00	R 646 168.00			R 400 000.00	R 398 243.00										
									Full Bursery: 10 Students			Date	N/A	N/A	10	10	Full Bursery: 10 Students	Target not met	Not Achieved	The Free Education Proclamation allowed for the budget not to be used	N/A	Q3: Contract, and Proof of Payment	Office of the Municipal Manager/ Youth Development	
													N/A	N/A			R 600 000.00	N/A						
									Career Guidance and Expo	All	Annual Career Guidance and Expo conducted for Grade 12 from all wards	Date	Conduct Career Guidance EXPO by 31 March 2017	Target Met	1	0	Career Exhibition & Expo	Target achieved: Event held 08 February 2018 KwaGwabhu	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development	
									R 180 000.00	R 215 449.00			R 250 000.00	R 227 485.00										
									Leadership Development Event	All		New Project	Date	N/A	N/A	1	1	Leadership Development Event	Target not met	Not Achieved	Budget Constraints	Project to be discontinued	Q3: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development
													N/A	N/A			R 50 000.00	N/A						
									Sport Development Programme: 2 Coaching clinics held by 31 March 2018	All		New Project	Number	N/A	N/A	1	1	Sport Development Programme: 2 Coaching clinics held by 31 March 2018	Target not met	Not Achieved	Budget Constraints	Project to be discontinued	Q3: Attendance Register and Programme	Office of the Municipal Manager/ Youth Development
													N/A	N/A			R 200 000.00	N/A						
									Annual Youth Development Summit	All	Annual 3 day Youth Development Summit held per annum	Date	Conduct Youth Development Summit by 31 March 2017	Target Met	1	0	Umzumbe Youth Development Summit	Target Met: Event held at Blue Marlin Hotel on 16-17 March 2018	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development	
													R 300 000.00	R 218 450.00			R 250 000.00	R 172 015.50						
									Umzumbe Sport Indaba	All		1 (November 2015)	Date	N/A	N/A	1	0	Umzumbe Sport Indaba	Target was achieved: 6-8 October 2017 Deroches Hotel	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development
													N/A	N/A			R 250 000.00	R 220 650.00						
									Mayoral Cup Games	All	Mayoral cup games conducted annually	Date	Conduct Mayoral Cup Tournament by 30 June 2017	Target Met	1	0	Mayoral Cup Games	Target achieved: Event held Mpisane SG on 26 May 2018	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development	
													R 475 000.00	R 535 657.83			R 500 000.00	R 317 114.50						

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									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)			
	3.2.o	Supporting of NGO's	Youth Day Commemoration	All	Annual Youth Day Commemoration	Date	Conduct Youth Day Commemoration by 30 June 2017	Target Met	1	0	Youth Day Commemoration /Youth Month Programme by 30 June 2018	Target achieved: Event held at Mantyanani SG on 23 June 2018	Achieved	N/A	N/A	Attendance Register,Concept document and Programme	Office of the Municipal Manager/ Youth Development		
									R 475 000.00		R 315 413.55				R 345 000.00				
3.2.d			Roll out service delivery events	Service Delivery Events	Service Delivery Events	Cluster B and D	2	Date	Conduct 2 events on Bringing Government Services Closer to the People (Services on wheels).	Target met	2	0	Service Delivery Events: 2	Target met the event was held at Ingolobane hall in November 2017 and KwaBhau MPCC in June 2018	Achieved	N/A	N/A	Q3-Q4: Programme of the Day and Attendance Register	Social Development & Community Services /Community Services
									R 200 000.00		R147 499.00				R 220 000.00				
5.2.e			Social Crime Prevention	Awareness Campaigns	Social Crime Prevention campaign	All wards	2 events	Number of campaigns conducted	Provide inputs to 10 NGOs/NPOs	Target met	10	0	10 NGOs/NPOs	Target met 3 ECDs were awarded in Q3 and 7 ECDs were awarded in Q4	Achieved	N/A	N/A	Q1: Needs Identification Report,Q2-Q4: Attendance Register, Distribution List and GRN	Social Development and Community Services /Community Services
									R 400 000.00		R447 814.00				R 450 000.00				
				Awareness Campaigns	4 Reports: Operation Sukuma Sakhe LTT Meetings			Number of NGOs/NPOs capacitated	Capacity Building to 10 NGOs/NPOs	Target Achieved: 10 NGOs Trained	1	0	Capacity Building: 10 NGOs/NPOs	Target met capacity building was held in March 2018 at Margate hotel.	Achieved	N/A	N/A	Q1: Identification Report, Q3: Close Out Report and Attendance Register	Social Development and Community Services /Community Services
									R 100 000.00		R98 460.00				R 120 000.00				
				Awareness Campaigns	Moral Re-Generation Campaign			Number of campaigns conducted	N/A	N/A	4 Reports: Operation Sukuma Sakhe LTT Meetings	Target not met: 3/4 Meetings were conducted	Not Achieved	Quorum could not be met due clash of municipal events	Schedule LTT meeting according to Municipal Roster	Q1-Q4: Munites and Attendance Registers	Social Development and Community Services /Community Services		
									N/A		N/A				N/A				
				Awareness Campaigns	Moral Regeneration: Capacity Building			Number of campaigns conducted	N/A	N/A	Moral Re-Generation Campaign	Target met the campaign was held at Nokugoduka sport ground in ward 08 in February 2018.	Achieved	N/A	N/A	Q1-Q4: Munites and Attendance Registers	Social Development and Community Services /Community Services		
									N/A		R 550 000.00		R130 778						
				Moral Regeneration	Awareness Campaigns			Number of campaigns conducted	N/A	N/A	Moral Regeneration: Capacity Building	Target met the capacity building was held in Q3 at Sbanini Community Hall	Achieved	N/A	N/A	Q1-Q4: Munites and Attendance Registers	Social Development and Community Services /Community Services		
									N/A		R 250 000.00		R 11 796.00						
				Establishment of Learners License Centre by 30 June 2018				Number of campaigns conducted	2 campaigns	Target met	2	0	Moral Regeneration: 2 Drug and substance abuse awareness campaigns	Target met the campaign was held at Buhlebethu sport ground in September 2017 and at Kwanokugoduka in February 2018.	Achieved	N/A	N/A	Q1-Q4: Munites and Attendance Registers	Social Development and Community Services /Community Services
									R 100 000.00		R152 700.00				R 550 000.00				
3.2.f	Implementation of Special Programmes (vulnerable groups)	Disability	Disability Sports Day	All	Disability sports day take place in district level	Date	1 disability sport day event held by July 30 2016	Target Met	4	0	4 Disability Forum Meetings	Target Met: 4/4 Meetings held	Not Achieved	Due to delays in the consultation processes with relevant stakeholders	Roll over is requested and will be integrated in next financial year.	Authorisation from Department of Transport and Report	Social Development and Community Services /Community Services		
									R 150 000.00		R 110 000.00				R 60 000.00				
				Disability awareness in HIV/AIDS	All	New project	Date	Disability awareness HIV/AIDS by 31 December 2016	Target Met	5	0	5 HIV & AIDS Awareness Campaigns	Target Met: 5/5 Campaigns done	Achieved	N/A	N/A	Concept Document, Programme and Attendance Register	Office of the Municipal Manager / Special Programmes	
									R 50 000.00		R 40 000.00				R 60 000.00				

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									2016/17 (Target)	2016/17 (ACTUAL)	DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)					
									Disability day event by 31 December 2016	Target Met	1	0	Disability Day & Awareness	Target Met: Event held 30 November 2017					
									R 50 000.00	R 140 000.00			R 200 000.00	R 63 251.00					
									N/A	N/A	4	0	Umzumbe Inter-faith Forum and Induction	Target Met: 4/4 meetings held					
									N/A	N/A			R 60 000.00	R 1 448.00					
									4 LAC Meetings	Target not met : 2/4 meetings held	4	0	4 LAC Meetings	Target Met: 4/4 Meetings held					
									R 40 000.00	R 18 500.00			R 40 000.00	R 42 050.00					
									5 Campaigns	Target met	20	0	Launching and Induction of WAC ( Ward AIDS Campaigns and Awareness)	Target Met: 20 Campaigns done per ward					
									R 70,000.00	R 34 000.00			R 100 000.00	R 80 440.00					
									Word Aids Day and Candle light by 31 December 2016	Target not Met	1	0	World AIDS day	Target Met: Event held on 1 December 2-17					
									R 100 000.00	R 0.00			R 80 000.00	R 19 000.00					
									N/A	N/A	1	0	Induction and Men's Forum by 31 July 2017	Target Met: Event held in Q1					
									N/A	N/A			R 60 000.00	R 18 500.00					
									16 Days of Activism Event by 31 December 2016	Target Met	1	0	16 Days of Activism	Target Met: Event held in Q2					
									R 100 000.00	R 105 000.00			R 100 000.00	R 141 000.00					
									4 Golden games and trainings from July 2016-July 2017	Target Met	1	0	National Golden Games	Target Met: Event held					
									R 350 000.00	R 208 000.00			R 100 000.00	R 31 803.20					
									N/A	N/A	1	0	Selections and Trainings of Senior Citizens in Clusters	Target Met: Event held					
									N/A	N/A			R 100 000.00	R 53 605.00					
									N/A	N/A	1	0	Final Selections	Target Met: Event Held					
									N/A	N/A			R 100 000.00	R 82 000.00					
									N/A	N/A	1	0	Local, District and Provincial Golden Games	Target Met					
									N/A	N/A			R 250 000.00	R 220 444.00					
									Intergenerational dialogue held	Intergenerational dialogue by 31 July 2016	1	0	Intergenerational Dialogue	Target met					
									R 50,000.00	R 0.00			R 100 000.00	R 46 700.00					
									Took place at ward 15	Date Awareness campaign citizens campaign for senior citizens held	4	4	4 Senior Citizens Forum Meetings	Target Not Met					
									R 34 000.00	R 30 000.00			R 40 000.00	R 0.00					

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										CURRENT YEAR									
								2016/17 (Target)		2016/17 (ACTUAL)		DEMAND		BACKLOG		2017/18 (TARGET)		2017/18 (ACTUAL)	
3.2	3.2.g	Rights of a child	Back to school and Sanitary dignity campaign	All	2	Date	Back to school campaign by 28 February 2017	Target Met	1	0	Back to School Campaign by 28 February 2018	Target Met: Event held in Q3	Achieved	N/A	N/A	Concept Document, Program and Attendance Register	Office of the Municipal Manager / Special Programmes		
		Mini umkhosi womhlanga	All	Takes place before umkhosi womhlanga at Nyonkeni	Date Mini umkhosi womhlanga held	Mini umkhosi womhlanga by 10 September 2016	Target met	1	0	Mini Umkhosi Womhlanga & Memorial Prayer	Target Met: Event held in Q1	Achieved	N/A	N/A	Concept Document, Program and Attendance Register	Office of the Municipal Manager / Special Programmes			
		Umkhosi womhlanga (Enyokeni)	All	Takes place every year in September	Date Umkhosi womhlanga held	Umkhosi womhlanga by 30 September 2016	Target met:	1	0	Umkhosi Womhlanga by 30 September 2017	Targe met: Event held in Q1	Achieved	N/A	N/A	Concept Document, Programme and Attedance Register	Office of the Municipal Manager / Special Programmes			
		Vulnerable Children Programmes	Dress a child	All wards	4794 School Children	Number of vulnerable children benefitted from (school uniform)	Provide School Uniform to 2400 vulnerable children	Target met	2400	0	Dress a Child: Provide school uniform to 2400 vulnerable children	Target met: 10 April 2018 Mpisane SP, 13 April 2018 Thembabantu SG, 17 April 2018 Mantyaneni SG, 20 April 2018 Shabase SG, 24 April 2018 Nongwinya SG	Achieved	N/A	N/A	Q3: Beneficiary Report, Q4: Distribution List and GRN	Social Development and Community Services /Community Services		
3.2.h	3.2.g	Approval of internal audit plan	Functionality of Audit Committee	Audit Committee Meetings	N/A	5	Date of Internal Audit plan Approved by the Audit Committee	Approval of Internal Audit plan by the Audit Committee by 30 Sep 2016	Target Achieved	4	0	4 Audit Committee meetings	Target achieved: 4/4 Audits Committee meetings held ( 27 September 2017, 08 December 2017, 28 March 2018, 26 June 2018)	Achieved	N/A	N/A	Audit Committee Minutes and the Internal Audit Plan	Office of the Municipal Manager / Internal Audit	
		Approval of internal audit charter	Internal Auditing	Internal Audit Plan	N/A	N/A	Date Internal Audit Charter approved by the Audit Committee	Audit Committee Charter approved by Council by 30 Sept 2016	Target Achieved	1	0	Approved Internal Audit Plan by 30 September 2017	Target achieved: IA PLAN done 24/05/2017	Achieved	N/A	N/A	Audit Committee Minutes and Audit Charter	Office of the Municipal Manager / Internal Audit	
		Approved Audit Committee Charter by 30 September 2017	Approved Audit Committee Charter by 30 September 2017	N/A	2016/2017 Audit Committee Charter	Date	N/A	N/A	1	0	Approved Audit Committee Charter by 30 September 2017	Target achieved : Audit Charter done 27/09/2017	Achieved	N/A	N/A	Audit Committee Minutes and Audit Charter	Office of the Municipal Manager / Internal Audit		
		Approved Internal Audit Charter by 30 September 2017	Approved Internal Audit Charter by 30 September 2017	N/A	2016/2017 Internal Audit Charter	Date	N/A	N/A	1	0	Approved Internal Audit Charter by 30 September 2017	Target Achieved: Internal Audit Chater 28/10/2018	Achieved	N/A	N/A	Q3: Reports and TopManco Resolutions	Q3: Reports and TopManco Resolutions		
		Finance: Supply Chain Management Review by 31 March 2018	Finance: Supply Chain Management Review by 31 March 2018	N/A	1	Date	N/A	N/A	1	0	Finance: Supply Chain Management Review by 31 March 2018	Target Achieved : report done 26 June 2018	Achieved	N/A	N/A	Q2: Reports and Top Manco resolutions	Q2: Reports and Top Manco resolutions		
		Finance: Budget Management Review by 31 December 2017	Finance: Budget Management Review by 31 December 2017	N/A	1	Date	N/A	N/A	1	0	Finance: Budget Management Review by 31 December 2017	Target was not achieved	Not Achieved	The internal audit plan was revised this project was replaced by fleet management	Fleet management will be done instead of this review	Q2: Reports, Top Manco Resolutions and Minutes of the Audit Committee	Q2: Reports, Top Manco Resolutions and Minutes of the Audit Committee		
		Corporate: Payroll Management Review by 30 June 2018	Corporate: Payroll Management Review by 30 June 2018	N/A	1	Date	N/A	N/A	1	0	Corporate: Payroll Management Review by 30 June 2018	Target Not achieved	Not Achieved	IA plan revised. This project was removed from the plan	To be done in 2018/19 internal audit plan	Q4: Reports, Top Manco Resolutions and Minutes of the Audit Committee	Q4: Reports, Top Manco Resolutions and Minutes of the Audit Committee		
		Internal Auditing	4 Audit Committee reports submitted to council	N/A			N/A	N/A	4	1	4 Audit Committee reports submitted to council	Target achieved: 4/3 Audits Committee report held (24 January 2018, 28 March 2018, 22 June 2018)							

2017/2018 FINANCIAL YEAR																			
UMZUMBE ANNUAL PERFORMANCE REPORT																			
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT
									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)			
5.2.k	Financial Support towards Ward Committee members	Ward Committees Support	Ward committee stipends	All	100% ward committees paid stipend per seating	Percentage of stipends paid to ward committees	100% payment of stipends per seating	Target achieved	100%	0%	100% Payment ward committees paid stipend	Target Met: All payment done	Achieved	N/A	N/A	Q1-Q4: Schedule of payment,	Office of the Municipal Manager / Speakers office		
									R1 125 000.00	R 900 050.00									
									R 2 448 000.00	R 2 549 485.00									
		Capacity building	Training of Ward Committees	All	Ward Committees trained o modules 1-6	Date Ward Committee training sessions held	Train 220 Ward Committee Members	220 Ward Committee members trained	5	0	Training of Ward Committees by 31 December 2017	Target Met in all clusters in October	Achieved	N/A	N/A	Attendance Register and Training manual	Office of the Municipal Manager / Speakers office		
									R 1 006 000.00	R 688 739.00									
		Functionality of Ward Committees	Ward committee meetings	All	All ward committee meetings seating as per schedule	Number of ward committee meetings held	240 ward committee meetings	Target Not Achieved: 120 Meetings held	240	0	240 ward committee meetings	Target Met: 240 meetings held	Achieved	The ward Committees members were still undergoing traing in Q2	Reviewed SDBIP	Q1-Q4: Attendance Register and Minutes	Office of the Municipal Manager / Speakers office		
									N/A	N/A									
		Report - back meetings	Public Participation	Community meetings	All	61 meetings held	Number of community meetings	80 Community meetings (one meeting per ward per quarter)	Target Not Achieved: 40/80 Meetings held	80	0	80 Community meetings (one meeting per ward per quarter)	Target met. 176 meetings were held	Not Achieved	N/A	N/A	Q1-Q4: Minutes and Attendance Register	Office of the Municipal Manager / Speakers office	
									N/A	N/A									
		Implementation of Internal Audit Plans, Charters and Other Controls	Internal Auditing	4 Performance Management System Reviews	N/A	New Project	Number	N/A	N/A	4	4	4 Performance Management System Reviews	Target Not achieved	Not Achieved	Network problems as well led to loss data and the report had to be from scratch	The report will be done in Q1 2018/19	Q1-Q4: Reports, Top Manco Resolutions and Minutes of the Audit Committee	Office of the Municipal Manager / Internal Audit	
									N/A	N/A									
		Implementation of Spatial Planning and Land Use Management Act	Internal Auditing	4 Ethics, Fraud and Corruption Reports	N/A	New Project	Number	N/A	N/A	4	0	4 Ethics, Fraud and Corruption Reports	Target was achieved	Achieved	N/A	N/A	Q1-Q4: MPT Reports and Top Manco Resolutions	Office of the Municipal Manager / Internal Audit	
									N/A	N/A									
3.3.a	3.3 To ensure access to municipal information (communication)	Communications	Presidential Hotline Reports: 4	N/A	24 000 copies of Inkanyezi Yomzumbe printed and distributed	Number of Newspapers published and distributed quarterly	40 000 copies of Inkanyezi Yomzumbe	Target not Achieved : 24000/40000 copies of Inkanyezi have been printed and circulated in Umzumbe	24000	24000	24 000 Copies of Inkanyezi Yomzumbe Newsletter	Target not Achieved	Not Achieved	Late delivery by Service Provider	To be delivered in Q1 of 2018/19 FY	Q1-Q4: Hard Copy of Inkanyezi Yomzumbe and Purchase Order	Office of the Municipal Manager / Communications Mayoralty and Youth Development		
									R 260 000.00	R260 000									
			Translation of IDP and Annual Report	Internal	N/A	N/A	N/A	N/A	2	2	Translation of IDP and Annual Report	Target Not achieved	Not Achieved	Project awaiting inception from Department of Arts in Culture	Target to be moved to the addendum as it is beyond municipal powers	Q1: Copy of both documents			
									N/A	N/A									
			Communication Strategy	Communication strategy reviewed and submitted to top manco	2012 communication strategy	Date of Adoption	Review and adopt communication strategy in Quarter 2	Target Achieved	1	0	Review Communications strategy by 31 August 2017	Target met: Strategy done and adopted	Achieved	N/A	N/A	Q2: Council Resolution and Reviewed Communication Strategy	Office of the Municipal Manager / Communications Mayoralty and Youth Development		
									R50 000	0									
		Radio slots and print advertisement	All	12 radio slots with Gagasi and 12 with RSS	Number of radio slots	36 radio slots and 9 print advertisement	Target met	36	0	Radio Slots	Annual target was achieved(36 radio slots)	Achieved	N/A	N/A	Q1-Q4: Invoice, GRN, Clips, Printed adverts	Office of the Municipal Manager / Communications Mayoralty and Youth Development			
3.2.m	3.3 To entrench a culture of accountability, participation and good governance	Public Participation Events	Mayoral Izimbizo	All	5	Number	5 Mayoral Izimbizo	Target met	5	0	5 Mayoral Izimbizo	Target Met: 08 November 2017 Nkanini SG, 19 October 2018 Etsheni SG, 24 October 2018 Nogoduka, 26 October 2018 Magugu Creche, 31 October 2018 Nongwinya	Achieved	N/A	N/A	Q2- 5 Attendance Registers, Photographs, Videos and Program	Office of the Municipal Manager / Communications Mayoralty and Youth Development		
									R 800 000.00	R 859 839.00									
			IDP Roadshows	All	5	Date	5 IDP Roadshows	Target met	5	0	5 IDP / Budget Roadshows	Target met: 10 April 2018 Mpisane SP, 13 April 2018 Thembabantu SG, 17 April 2018 Mantyaneni SG, 20 April 2018 Shibase SG, 24 April 2018 Nongwinya SG	Achieved	N/A	N/A	Q			

2017/2018 FINANCIAL YEAR																												
UMZUMBE ANNUAL PERFORMANCE REPORT																												
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT									
									2016/17 (Target)		2016/17 (ACTUAL)		DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)												
	3.4 To ensure functionality and sustenance of Ward Committees (Ward Committees)	Support Ward Committee structures	Ward Committees Support	Table of ward committee report to Council	All	Minutes of Ward Committees submitted to Council	Number of ward committees reports submitted to Council	4 Ward Committee Meetings Report	1 Nelson Mandela Day Celebration		Target met		1	0	Nelson Mandela Day Event		Achieved	N/A	N/A	Q3-5 Attendance Registers, Photographs, Videos and Program	Office of the Municipal Manager / Communications Mayorality and Youth Development							
3.4.e									R 300 000.00		R 165 129.34				R 300 000.00													
3.4.b		Review and implement community-based plans	Community Based Planning	Review of ward plans	All	19 ward plans developed	Number of ward plans reviewed	Develop 20 ward plans	Target achieved. 20 Ward plans developed & tabled to Council meeting held on 30 March 2017.		20	0	Review 20 Ward Plans		Target met: 20 / 20 Ward plans reviewed	Achieved	N/A	N/A	Q1-Q2: Council Resolution and Ward Plans	Office of the Municipal Manager / Speakers office								
	Cross Cutting Interventions																											
5.1.a	Cross Cutting Interventions	5.1 To ensure efficient and credible strategic and spatial municipal planning	To review and develop credible IDP	Credible IDP	Review and develop credible IDP	All	Adopted 2014/2015 IDP	Date of adoption	Credible 2017/18-2020/2021 IDP adopted by council by 30 June 2017		Target Achieved: IDP Adopted by Council on the 30 May 2017		1	0	Umzumbe IDP		Target Met: Umzumbe IDP adopted 30 May 2018		Achieved	N/A	N/A	Q1: Council Resolution, Q3: Council Resolution and Draft IDP, Q4: Council Resolution and Final IDP	Office of the Municipal Manager / Development Planning and Local Economic Development					
									R 200 000.00		R 110 000.00				R 300 000.00		R 198 000.00											
		Translate IDP into IsiZulu	Communications	Translation of Annual Report and IDP	N/A	None	Date of translation of Annual Report and IDP	Translate IDP (Q1) and Annual Report (Q3)	Target not Met		N/A	N/A	Translate IDP (Q1) and Annual Report (Q3)		Target Not Met		Not Achieved	N/A	N/A	Q1 & Q 4: Printed copy	Office of the Municipal Manager / Communications Mayorality and Youth Development							
									R 20 000.00		0				N/A		N/A											
5.2.a		To create conducive environment for service delivery and improve spatial municipal planning	SDF Implementation	Review SDF	All	2012 SDF	Date of Adoption of reviewed SDF	Review SDF by 31 March 2017	Target Achieved: SDF Adopted by Council on the 30 May 2017		1	0	Reviewed SDF by 30 June 2018		Target Met: Reviewed SDF adopted 30 May 2018		Achieved	N/A	N/A	Q1: Inception and Council Resolution, Q2: Draft SDF and Council Resolution, Q3: Council Resolution and Final Document	Office of the Municipal Manager / Development Planning							
									R 299 763.00		R 299 763.00				N/A													
5.2.b			Local Area Plans	Phungashe LAP	3	New Project	Date of Adoption of Phungashe LAP	Develop and Adopt Phungashe LAP by 30 June 2017	Target Not Achieved		1	1	Phungashe Local Area Plan by 30 June 2018		Target not met:		Not Achieved	Delays in appointing the service provider		Complete the project in October 2018		Q3-Q4: Council Resolution		Office of the Municipal Manager / Development Planning				
									R 600 000.00		R 0.00				R 600 000.00													
5.3.a		Complete and adopt Wall-to wall scheme and Land audit	Development Planning	Land Audit	All	new Project	Date of adoption	Umzumbe Land Audit Report by 30 June 2017	Target Not Achieved		1	1	Land Audit		Target not achieved. Readvertisement: Tender Document		Not Achieved	No suitable service provider was found		Re-Advertisement	Q1-Q3: Council Resolutions	Office of the Municipal Manager / Development Planning						
									R 800 000.00		R 0.00				R 1 300 000.00													
			Update of Geographic Information Systems	Development Planning	Acquire 10.5 GIS Software	N/A	N/A	N/A	N/A		1	1	Acquire 10.5 GIS Software		Target not Achieved. Software was procured however could not be installed		Achieved	N/A	N/A	Q2: Purchase Order	Office of the Municipal Manager / Development Planning							
									N/A		N/A				R 50 000.00		R 125 817.81											
5.3.d		Review and implementation of integrated waste management plan	Environmental Management	Adopt Reviewed Integrated Waste Management Plan by 30 June 2018	N/A	N/A	N/A	N/A	N/A		1	0	Adopt Reviewed Integrated Waste Management Plan by 30 June 2018		Target Achieved Integrated waste management plan adopted by council on the 22 June 2018		Achieved	N/A	N/A	Council Resolution	Technical Services/ Environmental Management							
									N/A						N/A													
5.3.d			Increasing awareness on development planning tools to various stakeholders	Awareness campaigns	Awareness campaigns	all wards (1-19)	5	Number of Development Planning awareness campaigns	Conduct 5 Development Planning Awareness Campaigns		5	0	5 SPLUMA Awareness Campaigns		Target achieved: 5 Awareness Campaigns 15 February 2018 Nyavini MPCC, 23 March 2018 St Faiths hall, 07 March 2018 Sbanini Hall, 01 March 2018 Ndumakude Hall, 20 February 2018 KwaBhavu hall)		Achieved	N/A	N/A	Q3: Attendance Registers and Programme	Office of the Municipal Manager / Development Planning and Local Economic Development							
									R 220 000.00		R 178 500.00				R 80 000.00		R											

2017/2018 FINANCIAL YEAR																										
UMZUMBE ANNUAL PERFORMANCE REPORT																										
IDP Ref	NATIONAL KEY PERFORMANCE AREA	OBJECTIVE	STRATEGY	PROGRAMME	PROJECT	WARD	BASELINE / STATUS QUAO	KPI MEASURE	PREVIOUS AND CURRENT YEAR COMPARISON						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	PORTFOLIO OF EVIDENCE	RESPONSIBLE DEPT & UNIT							
									2016/17 (Target)		2016/17 (ACTUAL)		CURRENT YEAR													
									DEMAND	BACKLOG	2017/18 (TARGET)	2017/18 (ACTUAL)														
									N/A	N/A	Training/capacity Buildings: 3 trainings(Basic Fire Fighting and First Aid, Disaster Management and Fire Fighter 1 and 2)	N/A	Training/capacity Buildings: 3 trainings(Basic Fire Fighting and First Aid, Disaster Management and Fire Fighter 1 and 2)	Target not Met	Not Achieved	Delays in recruitment of 4 Trainee Fire Fighters.	Q1-Q3: Attendance Register and GRN	Social Development and Community Services / Fire Fighting Services								
									N/A	N/A	N/A	N/A	R 250 000.00	N/A	The training will be held on the 23-27 July 2018											
									4 Disaster Incident Reports	Target Achieved: 4 quarterly reports were submitted	4	0	4 Disaster Incident Reports	Target met: 10 fatalities in 182 total cases reported. 65 fires, 51 houses collased and 66 affected by winds. 85 cases attended by fire and rescue of which 41 were MVAs	Achieved	N/A	N/A	Q1-Q4: Reports and Purchase Order	Social Development and Community Services / Disaster Management							
									R 700 000.00	R723 725.34	R 1 000 000.00	R260889.75														
									All	N/A	N/A	Acquire Fire Fighting Equipments	Target not met	1	0	Fire Fighting Equipment	Target not met	Not Achieved	No budget for this target.	Q2-Q3: Appointment Letter and GRN	Social Development and Community Services / Disaster Management					
									R 400 000.00	N/A	N/A	Q2-Q3: Appointment Letter and GRN	Social Development and Community Services / Disaster Management													
									38 Lightning Conductors	Number Lightning Conductors	40 Lightning Conductors	Target not met	38	0	38 Lightning Conductors	Target met: 38 Lightning conductors repaired	Achieved	N/A	N/A	Q2-Q3: Appointment Letter and GRN	Social Development and Community Services / Disaster Management					
									R 350 000.00	R 0	R 250 000	R 173 500.00	Q1-Q4: Appointment Letter and GRN	Social Development and Community Services / Disaster Management												
									Volunteer Program: 4 Reports	All Wards	4	Number	N/A	N/A	4	0	Volunteer Program: 4 Reports	Target met: 4 reports prepared	Achieved	N/A	N/A	Q1-Q4 reports	Social Development and Community Services/ Disaster Management			
									N/A	N/A	R 720 000.00	R 4 328 200.00	Q1-Q4: Appointment Letter and GRN	Social Development and Community Services / Disaster Management												
									15 DM Awareness Campaigns	All	New Project	Number	5 DM Awareness Campaigns	Target Achieved: 5 DM Awareness Campaigns were conducted.	15	0	15 DM Awareness Campaigns	Target met 15 Disaster Management Awareness campaign were conducted	Achieved	N/A	N/A	Q1-Q4: Attendance Register and Programme	Social Development and Community Services / Disaster Management			
									R 500 000.00	R625 487.50	R 700 000.00	R 722 340.00	Q1-Q4: Attendance Register and Programme	Social Development and Community Services / Disaster Management												
ADDENDUM-NOT CORE FUNCTIONS OF UMZUMBE LM																										
									Disability Meetings	All	Four disability meetings in a year	Number of disability meetings conducted	4 disability meetings	Target not Met: 3/4 meetings held	4	0	4 Disability Forum Meetings	Target Met: 4/4 meetings held	Achieved	N/A	N/A	(Q1-Q4): Attendance Register and Minutes	Office of the Municipal Manager / Special Programmes			
									R 60 000.00	R 32 800.00	N/A	R 5 700.00	Office of the Municipal Manager / Special Programmes													
									Forum on traditional healers (HIV/AIDS)	All	New project	Number	4 Meetings of Traditional Healers Forum in all quarters	Target not met : 3/4 meetings held	1	0	Forum on traditional healers (HIV/AIDS)	Target met: Meeting	Not Achieved	Late establishment of the Forum	N/A	4 Meetings of Traditional Healers Forum in all quarters	Office of the Municipal Manager / Special Programmes			
									R 40 000.00	R 29 000.00	R 40 000.00	R 12 000.00	Office of the Municipal Manager / Special Programmes													
									Gender Programme	Gender Meetings	All	4	Number of gender meetings held	4 Meetings	Target met	4	0	4 Gender Forum Meetings	Target Not Met: Only 3 meetings were met	Achieved	N/A	N/A	Attendance Register and Minutes (Q1-Q4)	Office of the Municipal Manager / Special Programmes		
									R 40 000.00	R 34 200.00	R 40 000.00	R 10 721.00	Office of the Municipal Manager / Special Programmes													
									Rights of a child	Rights of a child meetings	All	4 meeting in four quarters	Number of Rights of a child meetings convened	4 Rights of a Child Forum meetings	Target not Met: 2/4 meetings held	4	1	4 Rights of a Child Forum meetings	Target not achieved. Only three meetings were held	Not Achieved	records were not available	N/A	Q1-Q4: Attendance Register and minutes	Office of the Municipal Manager / Special Programmes		
									R 40,000.00	R 18 000.00	R 40 000.00	N/A	Office of the Municipal Manager / Special Programmes													
									To entrench a culture of accountability, participation and good governance	Host public participation events	Public Participation Events	Sod Turning	All	10	Date	8 sod turning	Target not Met: only 3/8 sod turnings were held	4	0	4 Sod Turnings	Annual target was achieved(4 sod turnings)	Achieved	N/A	N/A	Q1-4: Program, Photos	Office of the Municipal Manager / Communications Mayoralty and Youth Development
									R400 000	R126 305	R 500 000.00	R 220 757.00	Office of the Municipal Manager / Communications Mayoralty and Youth Development													
									Corporate Branding	4 Reports: Municipal Website Feeds	Municipality	New Project	Number	N/A	N/A	4	0	4 Reports: Municipal Website Feeds	Target achieved: reports prepared	Achieved	N/A	N/A	Q1-Q4: Reports	Office of the Municipal Manager / Communications Mayoralty and Youth Development		
									4 District Engagement Forums	Municipality	New Project	Number	N/A	N/A	4	2	4 District Engagement Forums	Target Not Met:2 Batho Pele were attended	Not Achieved	Qourum was not reached.	Posponed until further notice	Q1-Q4: Attendance Register	Office of the Municipal Manager / Communications Mayoralty and Youth Development			
									N/A	N/A	N/A	N/A	Office of the Municipal Manager / Communications Mayoralty and Youth Development													

2017/2018 FINANCIAL YEAR																							
UMZUMBE ANNUAL PERFORMANCE REPORT																							
IDP Ref	National Key Performance Area	Objective	Strategy	Programme	Project	Ward	Baseline / Status Quo	KPI Measure	Previous and Current Year Comparison						Status (Achieved / Not Achieved)	Reasons for deviation	Measures taken to improve performance	Portfolio of Evidence	Responsible Dept & Unit				
									Current Year														
									2016/17 (Target)	2016/17 (Actual)	Demand	Backlog	2017/18 (Target)	2017/18 (Actual)									
									4 project handover	Target met	4	0	4 Handovers	Target achieved: 4/4 Handovers done	Achieved	N/A	N/A	Q1-4: Program, Photos	Office of the Municipal Manager / Communications Mayoralty and Youth Development				
									R600 000.00	R620 345.00													
													R 700 000.00	R380,742.00									
									Regravelling of 4,3 km of Mthiniomile Access Road	11	New Project	Km of new access road constructed	N/A	N/A	N/A	N/A	Regravelling of 4,3 km of Mthiniomile Access Road	Target Achieved: Contractor Appointed 18 April 2018	Achieved	N/A	N/A	Q4: Appointment Letter	Technical Services
													N/A	N/A			R 500 000.00	R0					

## 4 CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE COMPONENT A INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 Employee Totals, Turnover and Vacancies

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Communication , Mayoralty & Youth Development	0	20	15	4	20.0
Internal Audit	2	2	2	0	0.0
Waste Management	1	2	1	1	50.0
Housing	1	2	1	1	50.0
Roads	6	15	13	2	13.3
Planning (Strategic & Regulatory)	3	4	4	0	0.0
Local Economic Development	5	9	4	5	55.6
Community & Social Services	3	3	3	1	33.3
Finance	14	17	14	3	17.6
Disaster Management / Fire & Rescue	4	6	4	2	33.3
Human Resources	2	4	3	1	25.0
Auxiliary Services		28	23	5	17.9
Legal Services	1	1	1	0	0.0
ICT Unit	2	3	2	1	33.3
<b>Totals</b>	<b>98</b>	<b>116</b>	<b>90</b>	<b>26</b>	<b>22.4</b>

### COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

#### 4.2 Polices

Table indicating 2017/18 adopted polices

	Name of Policy	Status	Quarter of Adoption
1	Leave policy	Done	31 May 2017
2	Farewell Policy	Done	31 May 2017
3	Fleet Management Policy	Done	31 May 2017
4	Cellphone and Telephone Policy	Done	31 May 2017
5	ICT Disaster Recovery Plan	Done	31 May 2017
6	Recruitment and Selection Policy	Done	31 May 2017
7	Subsistence and Traveling Policy	Done	31 May 2017
8	Support Staff Policy	Done	31 May 2017
9	Supply Chain Management Policy	Done	31 May 2017

#### 4.3 Injuries, Sickness and Suspensions

Table depicting Cost of Injury's

Number and Cost of Injuries on Duty						
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000	
Required basic medical attention only	0	0	0%	0	0	
Temporary total disablement	0	0	0%	0	0	
Permanent disablement	0	0	0%	0	0	
Fatal	0	0	0%	0	0	
Total	0	0		0	0	

Table depicting Employee Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalized	Date Finalized
Technical Services	Misconduct		Resigned	2017

Table depicting Cases of disciplinary Action

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalized
0	0	0	0

#### 4.4 Performance Reward

Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female				
	Male				
Skilled (Levels 3-5)	Female				
	Male				
Highly skilled production (levels 6-8)	Female				
	Male				
Highly skilled supervision (levels 9-12)	Female				
	Male				
Senior management (Levels 13-15)	Female				
	Male				
MM and S56	Female	1			
	Male	2			
Total		3			

## 4.5 Skills Development and Training

Human Resources unit had a target of training 41 employees and the target was met, 90 employees were trained for 2017/18 financial year. The training forms part of the Workplace Skills Plan that was adopted by Council to enhance employees' skills and productivity in the workplace.

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	0	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>

## **5 EMPLOYEE EXPENDITURE CHAPTER 5 – FINANCIAL PERFORMANCE**

### **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

#### **INTRODUCTION TO FINANCIAL STATEMENTS**

As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General.

The annual financial statement for the financial year 2017/2018 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General.

The municipality performed very well as they maintained the clean audit status as it had received another clean audit from the Auditor General. This was the third consecutive clean audit received by the municipality. Accordingly the municipality prepared a corrective action plan to address the audit queries. The audit report and corrective action plan was tabled to council.

The annual financial statements for the financial year 2017/2018 is currently being compiled in terms of Generally Recognized Accounting Practice (GRAP) and is on target to be submitted by the 31 August deadline.

# **Umzumbe Local Municipality**

Annual Financial Statements for the year ended 30 June 2018

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## **5.1 Statements of Financial Performance (Refer to AFS)**



**Umzumbe**  
MUNICIPALITY

**Annual Financial Statements  
for the year ended 30 June 2018**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## General Information

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<b>Nature of business and principal activities</b>	Providing services to the community of Umzumbe
<b>Executive Committee</b>	Councillor Ngcobo SR (Mayor) Councillor Zungu MPL (Deputy Mayor) Councillor Shozi MP (Speaker) Councillor Luthuli MZ (Chief Whip) Councillor Luthuli BB (Exco Member) Councillor Mdletshe MS (Exco Member) Councillor Mwese NY (Exco Member) Councillor Zamisa P (Exco Member)
<b>Councillors</b>	Councillor Cele LS Councillor Cele SR Councillor Lithuli BB Councillor Dlamini DDB Councillor Dlamini EB Councillor Duma LN Councillor Habile PL Councillor Hlophe WN Councillor Jeza S Councillor Khanyile RSW Councillor Luthuli OT Councillor Madwe B Councillor Mbambo OJ Councillor Mbayi TM Councillor Mfeka BT Councillor Mfecane MM Councillor Mkhize R Councillor Msani ZZ Councillor Myende TC Councillor Mtambo JP Councillor Ndimande HZ Councillor Nzimande SG Councillor Radebe TJ Councillor Shezi CL Councillor Shozi DZ Councillor Sithole Z Councillor Sikhosana B Councillor Xaba NE Councillor Zama SZ Councillor Ngubane S Councillor Zindela AE
<b>Accounting Officer</b>	Ms NC Mgijima
<b>Registered office</b>	Sipofu Road Mathulini Tribal Authority 4220

# **Umzumbe Local Municipality**

Annual Financial Statements for the year ended 30 June 2018

## **General Information**

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**Business address**

Sipofu Road  
Mathulini Tribal Authority  
4220  
Web: [www.umzumbe.gov.za](http://www.umzumbe.gov.za)

**Postal address**

P.O. Box 561  
Hibberdene  
4220

**Bankers**

ABSA Bank Limited

**Auditors**

Auditor General South Africa  
Registered Auditors

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Index

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The reports and statements set out below comprise the annual financial statements presented to the Council:

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MSCOA	Municipal Standard Chart of Accounts
VAT	Value Added Tax
SDL	Skills Development Levy
GRAP	Generally Recognised Accounting Practice
GIS	Geographical Information Systems
COGTA	Department of Cooperative Governance and Traditional Affairs
IAS	International Accounting Standards
DORA	Division of Revenue Act
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
UIF	Unemployment Insurance Fund
PAYE	Pay As You Earn
MSIG	Municipal Systems Improvement Grant

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Although the Accounting Officer is primarily responsible for the financial affairs of the municipality, she is supported by the municipality's Chief Financial Officer.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The municipality is substantially dependent on the grant allocations through the Division of revenue act (Dora) for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the Umzumbe Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 5 to 38, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2018 and were signed on its behalf by the accounting officer:



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Ms NC Mgijima  
Accounting Officer

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Current Assets</b>			
Receivables from exchange transactions	4	726,109	343,690
VAT receivable	5	6,632,317	8,573,238
Trade and other receivables from non-exchange transactions	6	12,645,548	9,299,136
Cash and Cash Equivalents	7	181,380,745	169,217,390
		<b>201,384,719</b>	<b>187,433,454</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	2	345,048,870	319,159,021
Intangible Assets	3	1,180,761	1,119,914
		<b>346,229,631</b>	<b>320,278,935</b>
<b>Total Assets</b>		<b>547,614,350</b>	<b>507,712,389</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Operating lease liability	10	42,973	37,603
Trade and Other Payables	11	19,836,783	14,115,405
Unspent Conditional Grants and Receipts	8	1,137,939	5,412,742
Provisions	9	4,438,529	3,924,613
		<b>25,456,224</b>	<b>23,490,363</b>
<b>Non-Current Liabilities</b>			
Provisions	9	932,000	796,000
<b>Total Liabilities</b>		<b>26,388,224</b>	<b>24,286,363</b>
<b>Net Assets</b>		<b>521,226,126</b>	<b>483,426,026</b>
Accumulated Surplus		521,226,126	483,426,026

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Revenue</b>			
Other income	15	698,861	702,919
Interest received - investment	14	12,509,546	11,451,089
Property rates	12	5,548,890	5,760,685
Government grants & subsidies	13	167,645,187	177,052,909
<b>Total revenue</b>		<b>186,402,484</b>	<b>194,967,602</b>
<b>Expenditure</b>			
Employee Related Costs	18	47,703,292	39,443,283
Remuneration of Councillors	19	15,847,623	13,908,035
Depreciation Amortisation and Impairment	21	24,662,058	24,136,298
Finance costs	9	95,000	82,000
Debt Impairment	20	456,146	448,791
Contracted services	16	16,856,901	14,857,782
General Expenses	17	42,569,763	44,222,739
<b>Total expenditure</b>		<b>148,190,783</b>	<b>137,098,928</b>
<b>Operating Surplus</b>			
Loss on Disposal of Assets		<b>38,211,701</b>	<b>57,868,674</b>
		(411,601)	(3,388,987)
<b>Surplus for the year</b>		<b>37,800,100</b>	<b>54,479,687</b>

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Statement of Changes in Net Assets

Figures in Rand	Accumulated Surplus	Total net assets
<b>Balance at 01 July 2016</b>	<b>428,946,339</b>	<b>428,946,339</b>
Surplus for the year	54,479,687	54,479,687
Total changes	54,479,687	54,479,687
<b>Restated* Balance at 01 July 2017</b>	<b>483,426,026</b>	<b>483,426,026</b>
Changes in net assets		
Surplus for the year	37,800,100	37,800,100
Total changes	37,800,100	37,800,100
<b>Balance at 30 June 2018</b>	<b>521,226,126</b>	<b>521,226,126</b>

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\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Cash Flow Statement

Figures in Rand	Note(s)	2018	2017 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Customers		2,449,739	3,501,742
Grants		163,370,384	177,065,262
Interest income		12,453,838	11,421,924
		<b>178,273,961</b>	<b>191,988,928</b>
<b>Payments</b>			
Finance costs		(95,000)	(82,000)
Cash Paid to Suppliers and Employees		(114,732,175)	(101,523,946)
		<b>(114,827,175)</b>	<b>(101,605,946)</b>
<b>Net cash flows from operating activities</b>	<b>23</b>	<b>63,446,786</b>	<b>90,382,982</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(51,363,107)	(43,589,540)
Proceeds from sale of property, plant and equipment	2	449,920	325,935
Purchase of other intangible assets	3	(370,244)	(742,278)
<b>Net cash flows from investing activities</b>		<b>(51,283,431)</b>	<b>(44,005,883)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>12,163,355</b>	<b>46,377,099</b>
Cash and cash equivalents at the beginning of the year		169,217,390	122,840,291
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>181,380,745</b>	<b>169,217,390</b>

\* See Note

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference (Appendix D1&D2)
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Other income	89,675,800	2,047,621	<b>91,723,421</b>	698,861	<b>(91,024,560)</b>	
Interest Earned - External Investments	11,630,436	300,000	<b>11,930,436</b>	12,509,546	<b>579,110</b>	
<b>Total revenue from exchange transactions</b>	<b>101,306,236</b>	<b>2,347,621</b>	<b>103,653,857</b>	<b>13,208,407</b>	<b>(90,445,450)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	4,157,557	-	<b>4,157,557</b>	5,548,890	<b>1,391,333</b>	
<b>Transfer revenue</b>						
Government grants & subsidies	167,073,000	5,412,742	<b>172,485,742</b>	167,645,187	<b>(4,840,555)</b>	
<b>Total revenue from non-exchange transactions</b>	<b>171,230,557</b>	<b>5,412,742</b>	<b>176,643,299</b>	<b>173,194,077</b>	<b>(3,449,222)</b>	
<b>Total revenue</b>	<b>272,536,793</b>	<b>7,760,363</b>	<b>280,297,156</b>	<b>186,402,484</b>	<b>(93,894,672)</b>	
<b>Expenditure</b>						
Salary Related Costs	(67,447,527)	(2,269,117)	<b>(69,716,644)</b>	(63,550,915)	<b>6,165,729</b>	
General Expenses and Contracted Services	(126,008,676)	(2,372,955)	<b>(128,381,631)</b>	(84,639,867)	<b>43,741,764</b>	
<b>Total expenditure</b>	<b>(193,456,203)</b>	<b>(4,642,072)</b>	<b>(198,098,275)</b>	<b>(148,190,782)</b>	<b>49,907,493</b>	
<b>Operating surplus</b>	<b>79,080,590</b>	<b>3,118,291</b>	<b>82,198,881</b>	<b>38,211,702</b>	<b>(43,987,179)</b>	
Loss on disposal of assets	-	-	-	(411,601)	<b>(411,601)</b>	
<b>Surplus / (Deficit)</b>	<b>79,080,590</b>	<b>3,118,291</b>	<b>82,198,881</b>	<b>37,800,101</b>	<b>(44,398,780)</b>	
<b>Capital</b>						
Capital Expenditure	(79,080,589)	(3,118,291)	<b>(82,198,880)</b>	(51,733,351)	<b>30,465,529</b>	

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference (Appendix D1&D2)
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
Net cash (from) from operating activities	79,080,589	3,118,291	<b>82,198,880</b>	63,446,786	<b>(18,752,094)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(79,080,589)	(3,118,291)	<b>(82,198,880)</b>	(51,283,431)	<b>30,915,449</b>	
Net increase/(decrease) in cash and cash equivalents	-	-	-	12,163,355	<b>12,163,355</b>	
Cash and cash equivalents at the beginning of the year	-	-	-	169,217,390	<b>169,217,390</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,380,745</b>	<b>181,380,745</b>	

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

A summary of the significant GRAP Standards, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

GRAP - 1 Presentation of Financial Statements

GRAP - 2 Cashflow Statements

GRAP - 3 Accounting Policies, Changes in Accounting Estimates and Errors

GRAP - 9 Revenue from Exchange Transactions

GRAP - 13 Leases

GRAP - 17 Property Plant and Equipment

GRAP - 19 Provisions, Contingent Liabilities and Contingent Assets

GRAP - 26 Impairment of Cash Generating Assets

GRAP - 31 Intangible Assets

GRAP - 14 Events after the reporting date

GRAP - 24 Presentation of Budget Information in Financial Statements

GRAP - 23 Revenue from Non-exchange Transactions

GRAP - 25 Employee Benefits

GRAP - 104 Financial Instruments

#### **The following GRAP standards have been issued but are not yet effective**

At the date of authorisation of these Annual Financial Statements, the following standards and interpretations were in issue but not yet effective and have not been early adopted by the municipality:

GRAP 20 - Related party disclosures

GRAP 32 - Service concession agreements : Grantor

GRAP 34 - Separate Financial Statements

GRAP 35 - Consolidated Financial Statements

GRAP 36 - Investments in Associates and Joint Ventures

GRAP 37 - Joint Arrangements

GRAP 38 - Disclosure of Interests in Other Entities

GRAP 108 - Statutory Receivables

GRAP 109 - Accounting by Principals and Agents

GRAP 110 - Living and Non-living Resources

### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

### 1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition. Where the actual acquisition date or period in respect of assets can not be determined with accuracy, the assets are recognised at fair value on the date that they were identified.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

---

Item	Depreciation method	Useful life
Computer Equipment	Straight line	05-10
Solid Waste Disposal	Straight line	05-55
Dwellings	Straight line	05-30
Electricity	Straight line	05-80
Furniture & Office Equipment	Straight line	03-10
Non Residential Dwellings	Straight line	10-30
Transport Assets	Straight line	04-20
Machinery & Equipment	Straight line	02-20
Roads	Straight line	03-100

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.2 Property, plant and equipment (continued)

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 2).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 2).

### Assets Under Construction

Incomplete construction work is stated at historical cost. Depreciation only commence when the asset is available for use.

### 1.3 Intangible Assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.3 Intangible Assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible Assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

---

Item	Depreciation method	Useful life
Computer software, other	Straight line	3-5

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

### 1.4 Financial Instruments

#### Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit

#### Payables from exchange transactions

Trade payables are measured at fair value.

#### Cash and Cash Equivalents

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.4 Financial Instruments (continued)

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### Bank Overdraft and Borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

#### Receivables from non exchange transactions

Trade receivables from non-exchange transactions are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Where the initial credit period granted is not in line with practices or legislation in the public sector, the effect of discounting is considered if it is material.

### 1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in statement of financial performance.

#### Operating Leases - Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.6 Employee Benefits

#### Short-Term Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined Contribution Plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

The Municipality's employees are members of the Kwazulu - Natal Joint Municipal Pension Fund (a State and Multi Employer Defined Benefit Plan) and Kwazulu Natal Joint Provident Fund (a State and Multi Employer Defined Contribution Plan). Along with other Municipalities in the province of Kwazulu Natal, uMzumbe participates in a multi employer defined plan.

As the plan exposes the participating entities to actuarial risks associated with the current and former employees of other municipalities participating in the plan there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual municipalities participating in the plan. uMzumbe therefore accounts for the plan as if it were defined contribution plan.

#### Long Service Awards

The municipality has an obligation to provide Long Service Awards Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

#### Pension, Provident, Retirement Benefits and Group Life Scheme

The municipality provides retirement benefits for its employees in the form of a defined contribution plans. The municipality is no longer contributing towards retirement benefits for the Councillors as they are now getting a total cost to company package.

A defined contribution plan is a plan under which the municipality pays a fixed contribution into a separate entity. The municipality has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior period.

The contributions to fund obligations for the payment of retirement benefits are charged against the revenue in the year they become payable.

### 1.7 Provisions and Contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.7 Provisions and Contingencies (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised but disclosed as a note in the financial statements.

### 1.8 Revenue

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from unconditional grants are recognised immediately upon receipt.

Revenue from tender sales is recognised when the bidders have actually bought the tender documents and cash has been received.

#### Rates

Revenue from rates is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

#### Conditional Grants and Receipts

Conditional grants, donations and funding are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If grants are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

### 1.9 Comparative Figures

Where materially necessary, comparative figures have been reclassified and restated to conform to changes in presentation in the current year.

### 1.10 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.10 Unauthorised expenditure (continued)

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.11 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.12 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.13 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

### 1.14 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

### 1.15 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

### 1.16 Value Added Tax (VAT)

The municipality accounts for Value Added Tax on the cash basis with respect to the South African Revenue Service

The municipality accounts for VAT on the cash basis. The municipality is liable to account for VAT at the standard rate (14% until 31 March 2018 and 15% thereafter) in terms of section 7 (1) (a) of the VAT Act in respect of the supply of goods or services, except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 of the VAT Act or are scoped out for VAT purposes. The municipality accounts for VAT on a monthly basis.

### 1.17 Commitments

Commitments may be referred to as the intention to commit to an outflow from the municipality of resources embodying economic benefits.

Generally, a commitment arises when a decision is made to incur a liability in the form of a purchase contract (or similar documentation). Such a contractual commitment would be accompanied by, but not limited to, actions taken to determine the amount of the eventual resource outflow or a reliable estimate e.g. a quote, and conditions to be satisfied to establish an obligation e.g. delivery schedules. In determining the value of commitments, the Municipality may utilise savings among projects. These preconditions ensure that the information relating to commitments is relevant and capable of reliable measurement.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018

2017

### 2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Machinery Equipment	18,463,073	(5,530,043)	12,933,030	16,593,151	(4,291,266)	12,301,885
Furniture and Office Equipment	4,506,955	(2,951,526)	1,555,429	4,518,908	(2,654,352)	1,864,556
Transport Assets	12,605,551	(3,981,906)	8,623,645	11,573,982	(3,656,291)	7,917,691
Computer Equipment	2,976,109	(1,600,992)	1,375,117	2,569,093	(1,584,649)	984,444
Community Assets	53,049,000	(22,841,907)	30,207,093	53,032,639	(20,549,362)	32,483,277
Solid Waste Disposal	255,044	(119,866)	135,178	294,856	(106,218)	188,638
Roads	250,631,270	(86,353,449)	164,277,821	209,394,656	(67,767,360)	141,627,296
Assets under construction	125,941,557	-	125,941,557	121,791,234	-	121,791,234
<b>Total</b>	<b>468,428,559</b>	<b>(123,379,689)</b>	<b>345,048,870</b>	<b>419,768,519</b>	<b>(100,609,498)</b>	<b>319,159,021</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Total
Machinery Equipment	12,301,885	2,118,355	(34,825)	-	(1,452,385)	-	12,933,030
Furniture and Office Equipment	1,864,556	185,672	(35,931)	-	(458,868)	-	1,555,429
Transport Assets	7,917,691	2,840,968	(967,669)	-	(1,167,345)	-	8,623,645
Computer Equipment	984,444	779,914	(29,078)	-	(360,163)	-	1,375,117
Community Assets	32,483,277	33,500	(9,350)	-	(2,273,244)	(27,090)	30,207,093
Solid Waste Disposal	188,638	-	(29,055)	-	(24,405)	-	135,178
Assets Under Construction	121,791,234	45,380,498	-	(41,230,175)	-	-	125,941,557
Roads	141,627,296	24,200	(11,240)	41,230,175	(18,110,555)	(482,055)	164,277,821
	<b>319,159,021</b>	<b>51,363,107</b>	<b>(1,117,148)</b>	-	<b>(23,846,965)</b>	<b>(509,145)</b>	<b>345,048,870</b>

Assets under construction comprises of:

	Opening balance	Additions	Transfers	Closing balance
Community Assets	80,798,948	16,038,114	-	96,837,062
Roads	40,992,286	29,342,384	(41,230,175)	29,104,495
	<b>121,791,234</b>	<b>45,380,498</b>	<b>(41,230,175)</b>	<b>125,941,557</b>

Dwellings and Non Residential dwellings were reclassified to Community Assets as at 30 June 2017 as follows:

	As previously reported 30 June 2017	Reclassification	Restated 30 June 2017
Dwellings	358,047	(358,047)	-
Non Residential dwellings	32,125,230	(32,125,230)	-
Community Assets	-	32,483,277	32,483,277
	<b>32,483,277</b>	-	<b>32,483,277</b>

#### Impairment of Assets

Impairment of the assets above are as a result of a conditional assessment performed during the physical verification of assets exercise.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

### 2. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Transfers	Depreciation	Impairment loss	Impairment reversal	Total
Machinery Equipment	13,533,009	197,053	(42,036)	35,000	(1,420,907)	(234)	-	12,301,885
Furniture and Office Equipment	1,605,828	731,129	(20,587)	-	(449,857)	(1,957)	-	1,864,556
Transport Assets	5,268,597	3,850,139	-	-	(1,205,629)	-	4,584	7,917,691
Computer Equipment	976,070	323,469	(11,821)	-	(303,274)	-	-	984,444
Community Assets	37,991,535	-	(2,417,280)	112,600	(2,536,343)	(667,235)	-	32,483,277
Solid Waste Disposal	234,061	-	(14,655)	-	(28,772)	(1,996)	-	188,638
Assets Under construction	112,296,559	38,449,450	-	(28,954,775)	-	-	-	121,791,234
Roads	131,308,079	38,300	(1,208,189)	28,807,175	(16,716,435)	(601,634)	-	141,627,296
	<b>303,213,738</b>	<b>43,589,540</b>	<b>(3,714,568)</b>	-	<b>(22,661,217)</b>	<b>(1,273,056)</b>	<b>4,584</b>	<b>319,159,021</b>

#### Impairment of assets

Impairment of the assets above are as a result of a conditional assessment performed during the physical verification of assets exercise.

#### Expenditure incurred to repair and maintain property, plant and equipment

##### Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Contracted Services	3,591,809	5,058,250
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# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018 2017

### 3. Intangible Assets

	2018			2017		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2,033,441	(852,680)	1,180,761	1,698,834	(578,920)	1,119,914

#### Reconciliation of intangible assets - 2018

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1,119,914	370,244	(3,448)	(305,949)	1,180,761

#### Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Other changes, movements	Amortisation	Total
Computer software	584,597	742,278	(15,504)	15,152	(206,609)	1,119,914

### 4. Receivables from exchange transactions

Sundry debtors	670,401	314,525
Interest	55,708	29,165
Rei Management	2,379,003	2,379,003
Rei Management (Provision for Bad debts)	(2,379,003)	(2,379,003)
	<b>726,109</b>	<b>343,690</b>

### 5. VAT receivable

Value Added Tax	6,632,317	8,573,238
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The municipality is predominantly funded by Government Grants which are zero rated. Therefore VAT input has been claimed which has not been received as yet.

### 6. Trade and other receivables from non exchange transactions

<b>Gross balances</b>		
Rates	15,806,700	12,004,142
<b>Less: Allowance for impairment</b>		
Rates	(3,161,152)	(2,705,006)
<b>Net balance</b>		
Rates	12,645,548	9,299,136
<b>Rates</b>		
>180 days	12,645,548	9,299,136

#### Summary of debtors by customer classification

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>6. Trade and other receivables from non exchange transactions (continued)</b>		
<b>Residential</b>		
> 180 days	4,013,185	3,432,521
	4,013,185	3,432,521
Less: Allowance for impairment	(3,161,152)	(2,705,006)
	<b>852,033</b>	<b>727,515</b>
<b>Industrial/ commercial</b>		
> 180 days	3,049,394	1,513,852
<b>National and provincial government</b>		
> 180 days	8,744,121	6,972,204
<b>Total</b>		
> 180 days	15,806,700	12,004,142
	15,806,700	12,004,142
Less: Allowance for impairment	(3,161,152)	(2,705,006)
	<b>12,645,548</b>	<b>9,299,136</b>
<b>Less: Allowance for impairment</b>		
> 180 days	(3,161,152)	(2,705,006)
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(2,705,006)	(2,256,215)
Contributions to allowance	(456,146)	(448,791)
	<b>(3,161,152)</b>	<b>(2,705,006)</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

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### 7. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Cash on hand	1,866	1,318
Bank balances	171,660,042	159,652,376
Short-term deposits	9,718,837	9,563,696
	<b>181,380,745</b>	<b>169,217,390</b>

The short-term deposits and Bank balances are held with banks as indicated below.

#### The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
ABSA BANK LTD - Port Shepstone - 40-7276-2850	170,855,731	158,887,601	170,853,731	158,887,601
ABSA Housing Account - Port Shepstone - 40-7278-0715	657,873	623,489	657,873	623,489
ABSA MIG Account - Port Shepstone 40 - 7277-6506	148,438	141,286	148,438	141,286
FNB - Money market account	4,035,151	3,880,010	4,035,151	3,880,010
FNB 32 day fixed deposit account	5,683,686	5,683,686	5,683,686	5,683,686
<b>Total</b>	<b>181,380,879</b>	<b>169,216,072</b>	<b>181,378,879</b>	<b>169,216,072</b>

### 8. Unspent Conditional Grants and Receipts

Unspent conditional grants and receipts comprises of:

#### Unspent conditional grants and receipts

Project Consolidate	99,885	99,885
Low cost housing grant	638,054	603,670
GIS Grant	-	7,985
Municipal Infrastructure Grant	-	401,693
Disaster Management Grant	-	3,950,495
KZN Sports	-	349,014
Fire Fighting Grant	400,000	-
	<b>1,137,939</b>	<b>5,412,742</b>

#### Movement during the year

Balance at the beginning of the year	5,412,742	5,412,389
Additions during the year	48,249,384	57,577,262
Income recognition during the year	(48,573,692)	-
Grant transferred to National Treasury	(3,950,495)	(57,576,909)
	<b>1,137,939</b>	<b>5,412,742</b>

See Note13 for reconciliation of grants from National/Provincial Government.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

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### 9. Provisions

#### Reconciliation of provisions - 2018

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service cost	Finance Cost	Total
Provision for Bonus	964,076	1,952,273	(1,767,767)	-	-	-	1,148,582
Long Service Awards	866,000	-	(68,423)	(55,577)	152,000	95,000	989,000
Leave Pay	2,890,537	1,189,762	(847,352)	-	-	-	3,232,947
	<b>4,720,613</b>	<b>3,142,035</b>	<b>(2,683,542)</b>	<b>(55,577)</b>	<b>152,000</b>	<b>95,000</b>	<b>5,370,529</b>

#### Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Actuarial Loss (Gain)	Current Service Cost	Finance Cost	Total
Provision for Bonus	864,931	964,076	(864,931)	-	-	-	964,076
Long Service Awards	751,000	-	(15,266)	(102,734)	151,000	82,000	866,000
Leave Pay	2,614,959	848,364	(572,786)	-	-	-	2,890,537
	<b>4,230,890</b>	<b>1,812,440</b>	<b>(1,452,983)</b>	<b>(102,734)</b>	<b>151,000</b>	<b>82,000</b>	<b>4,720,613</b>
Non-current liabilities					932,000		796,000
Current liabilities					4,438,529		3,924,613
					<b>5,370,529</b>		<b>4,720,613</b>

#### Provision for Long Service Awards

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2018 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of plan assets and the present value of the unfunded defined benefit obligation were carried out as at 30 June 2018 by a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

#### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	9.54%	9.43%
CPI (Consumer Price Inflation)	6.70%	6.93%
Normal Salary Increase Rate	7.70%	7.93%
Net Effective Discount Rate	1.71%	1.39%

#### The effect of a 1 % increase movement in the assumed rate of salary inflation is as follows:

Total Accrued Liability	1,083,000	949,000
Current Service Cost	198,000	170,000
Interest cost	114,000	105,000
	<b>1,395,000</b>	<b>1,224,000</b>

#### The effect of a 1 % decrease movement in the assumed rate of salary inflation is as follows:

Total Accrued Liability	905,000	793,000
Current Service Cost	158,000	136,000
Interest Cost	95,000	87,000
	<b>1,158,000</b>	<b>1,016,000</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>10. Operating lease asset (liability)</b>		
Current assets		-
Current liabilities	(42,973)	(37,603)
	<b>(42,973)</b>	<b>(37,603)</b>
<b>Minimum Lease Payments due</b>		
Within one year	27,038	96,740
In second to fifth year	7,814	75,397
Over five years and until the end of the lease	495,830	405,747
	<b>530,682</b>	<b>577,884</b>
<b>11. Trade and Other Payables</b>		
Trade payables	3,587,261	714,473
Other payables	452,042	348,145
Deposits received	31,961	20,000
Retention	15,765,519	13,032,787
	<b>19,836,783</b>	<b>14,115,405</b>
<b>12. Property rates</b>		
<b>Rates</b>		
Property Rates Billed	5,548,890	5,760,685

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

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### 13. Government grants and subsidies

#### Operating grants

Equitable share	119,071,495	119,488,000
Financial Management Grant	1,900,000	1,825,000
Disaster Management Grant	-	6,833,325
Municipal Infrastructure Grant	35,025,693	35,496,010
Expanded Public Works Program	1,291,000	1,083,000
Intergrated National Electrification Programme	10,000,000	10,149,655
GIS Grant	7,985	-
KZN Sports Grant	349,014	175,760
Massification Grant	-	2,002,159
	167,645,187	177,052,909

#### Project Consolidate

Balance unspent at beginning of year	99,885	99,885
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Conditions still to be met - remain liabilities (see note 8)

#### Financial Management Grant

Current-year receipts	1,900,000	1,825,000
Conditions met - transferred to revenue	(1,900,000)	(1,825,000)
	-	-

#### Low Cost Housing Grant

Balance unspent at beginning of year	603,670	568,408
Current-year receipts	34,384	35,262
	<b>638,054</b>	<b>603,670</b>

Conditions still to be met - remain liabilities (see note 8)

#### GIS Grant

Balance unspent at beginning of year	7,985	7,985
Conditions met - transferred to revenue	(7,985)	-
	-	<b>7,985</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

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### 13. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 8)

#### Municipal Infrastructure Grant

Balance unspent at beginning of year	401,693	275,703
Current-year receipts	34,624,000	35,622,000
Conditions met - transferred to revenue	(35,025,693)	(35,496,010)
	-	401,693

Conditions still to be met - remain liabilities (see note 8)

#### Expanded Public Works Program

Current-year receipts	1,291,000	1,083,000
Conditions met - transferred to revenue	(1,291,000)	(1,083,000)
	-	-

#### Disaster Management Grant

Balance unspent at beginning of year	3,950,495	783,820
Current-year receipts	-	10,000,000
Conditions met - transferred to revenue	-	(6,833,325)
Grant transferred to National Treasury	(3,950,495)	-
	-	3,950,495

The municipality had applied for a roll-over of its Disaster Management Grant, amounting to R3 950 495, to the National Treasury and Provincial Treasury. However the municipality's application was not approved by the National Treasury. The municipality has disputed this matter with National Treasury. Engagements with National and Provincial Treasury indicate that the matter is being reviewed. The Disaster Management Grant was cash backed.

#### KZN Sports

Balance unspent at beginning of year	349,014	524,774
Conditions met - transferred to revenue	(349,014)	(175,760)
	-	349,014

Conditions still to be met - remain liabilities (see note 8).

#### Fire Fighting Grant

Current-year receipts	400,000	-
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Conditions still to be met - remain liabilities (see note 8).

#### National Electrification Grant

Balance unspent at beginning of year	-	1,149,655
Current-year receipts	10,000,000	9,000,000
Conditions met - transferred to revenue	(10,000,000)	(10,149,655)
	-	-

#### Massification Grant

Balance unspent at beginning of year	-	2,002,159
Conditions met - transferred to revenue	-	(2,002,159)
	-	-

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

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### 13. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 8).

### 14. Investment revenue

#### Interest revenue

Interest Received on Investments

12,509,546

11,451,089

### 15. Other income

Tender Income

188,452

136,511

Sundry income

510,409

566,408

**698,861**

**702,919**

### 16. Contracted services

#### Outsourced Services

Catering Services

4,508,242

4,001,744

Clearing and Grass Cutting Services

622,009

24,552

Medical Services

17,003

3,605

Security Services

1,631,121

1,419,197

#### Consultants and Professional Services

Business and Advisory

3,633,019

1,555,867

Infrastructure and Planning

2,145,421

-

Legal Cost

34,617

294,202

#### Other Contracted Services

Artists and Performers

328,800

1,190,000

Audio-visual Services

36,500

124,140

Interior Decorator

60,180

147,178

Repairs and Maintenance

3,591,809

5,058,250

Stage and Sound Crew

248,180

1,039,047

**16,856,901**

**14,857,782**

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

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### 17. General expenses

Advertising, Publicity and Marketing	6,644,590	9,486,532
Auditors remuneration	1,309,636	1,246,638
Bank charges	100,234	161,105
Ward Committees	2,846,156	2,287,146
Bursaries	882,841	700,675
Consumables	2,325,655	2,098,613
Electricity	312,694	232,015
Free basic services - electricity	11,024,443	12,835,974
Entertainment	74,646	303,952
Hire charges	3,150,614	3,004,162
Insurance	950,444	692,168
Lease Rentals on Operating Lease	521,502	204,540
Licences	402,839	397,086
Printing and stationery	1,220,380	856,256
Subscriptions and membership fees	660,019	1,088,079
Subsistence and Travel	3,689,542	3,242,363
Communication	1,698,557	1,274,162
Transport to events	2,251,974	2,039,517
Solid waste disposal	251,500	403,068
Uniform and Protective Clothing	554,354	337,605
Registration fees	357,684	940,834
Other expenses	1,339,459	390,249
	<b>42,569,763</b>	<b>44,222,739</b>

General expenses were reclassified due the adoption of the MSCOA

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018 2017

### 18. Employee related costs

Basic Salary	29,595,644	25,229,989
Bonus	2,795,646	2,203,894
Medical aid - company contributions	1,378,679	1,250,717
Unemployment Insurance Fund	203,747	181,054
Skills Development Levy	399,842	335,377
Leave pay provision charge	1,189,762	848,364
Pension Contribution	3,232,088	2,829,699
Travel, motor car, accommodation, subsistence and other allowances	6,623,219	5,061,111
Overtime payments	1,006,278	781,986
Acting allowances	292,237	143,199
Other Salary costs	986,150	577,893
	<b>47,703,292</b>	<b>39,443,283</b>

### Remuneration of Municipal Manager

Annual Remuneration	727,483	902,045
Car Allowance	242,494	304,440
Performance Bonus	328,344	170,486
Other	273,002	24,692
	<b>1,571,323</b>	<b>1,401,663</b>

### Remuneration of Chief Financial Officer

Annual Remuneration	819,881	783,638
Car Allowance	285,636	264,478
Performance Bonuses	296,215	148,108
Other	34,390	36,378
	<b>1,436,122</b>	<b>1,232,602</b>

### Remuneration Corporate Services Director

Annual Remuneration	659,137	736,746
Car Allowance	219,712	248,652
Performance Bonuses	218,814	139,245
Other	210,721	44,574
	<b>1,308,384</b>	<b>1,169,217</b>

### Remuneration of Technical Services Director

Annual Remuneration	437,573	-
Car Allowance	145,858	-
Other	6,481	-
	<b>589,912</b>	-

The Director for Technical Services was appointed during the year.

The Director for Technical Services position was vacant in 2016-17 financial year.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

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### 18. Employee related costs (continued)

#### Remuneration of Social & Community Services Director

Annual Remuneration	437,573	-
Car Allowance	145,858	-
Other	25,983	-
	<b>609,414</b>	-

The Director for Social & Community Services was appointed during the year..

The Director for Social & Community Services position was vacant in 2016-17 financial year.

### 19. Remuneration of councillors

Mayor	849,387	780,127
Deputy Mayor	686,186	668,856
Speaker	686,389	642,275
Councillors	13,625,661	11,816,777
	<b>15,847,623</b>	<b>13,908,035</b>

### 20. Debt impairment

Debt impairment	456,146	448,791
-----------------	---------	---------

### 21. Depreciation, amortisation and Impairment

Property, plant and equipment	24,356,109	23,929,689
Intangible assets	305,949	206,609
	<b>24,662,058</b>	<b>24,136,298</b>

### 22. Auditors' remuneration

Fees	1,309,636	1,246,638
------	-----------	-----------

### 23. Cash generated from operations

Surplus	37,800,100	54,479,687
<b>Adjustments for:</b>		
Depreciation and amortisation	24,662,058	24,136,298
Loss on sale of assets	411,601	3,388,987
Debt impairment	456,146	448,791
Movement in operating lease accrual	5,370	16,417
Movements in provisions	649,916	489,723
Other non-cash items	259,080	-
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(382,419)	(256,989)
Trade and other receivables from non exchange transactions	(3,802,558)	(2,935,496)
Trade and Other Payables	5,721,374	(1,710,036)
VAT	1,940,921	12,325,247
Unspent Conditional Grants and Receipts	(4,274,803)	353
	<b>63,446,786</b>	<b>90,382,982</b>

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

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### 24. Commitments

#### Authorised capital expenditure

##### Approved and contracted for:

• Infrastructure	65,868,909	39,883,822
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##### Approved but not yet contracted for:

• Infrastructure	167,892,663	62,365,358
------------------	-------------	------------

#### Total capital commitments

Already contracted for but not provided for	65,868,909	39,883,822
Not yet contracted for and authorised by accounting officer	167,892,663	62,365,358
	<b>233,761,572</b>	<b>102,249,180</b>

This committed expenditure relates to Infrastructure and will be financed by Government Grants.

### 25. Unauthorised expenditure

Opening balance	2,379,003	2,379,003
Unauthorised expenditure current year	1,853,243	-
Less: Amounts written off	-	-
	<b>4,232,246</b>	<b>2,379,003</b>

The municipality had applied for a roll-over of its Disaster Management Grant, amounting to R3 950 495, to the National Treasury and Provincial Treasury. However the municipality's application was not approved by the National Treasury. The municipality has disputed this matter with National Treasury. Engagements with National and Provincial Treasury indicate that the matter is being reviewed. The amount of R1 853 243 relates to the expenditure corresponding to the Disaster Management Grant. The Disaster Management Grant was cash backed. This information has been brought to the attention of the Council.

### 26. Fruitless and wasteful expenditure

Current year expenditure	16,942	58,570
Less: Amounts written off	(16,942)	(58,570)
	-	-

#### Incidents

- The municipality incurred fruitless and wasteful expenditure of R 16 942 due to interest and penalties arising from late payments.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

### 27. Effects of correction and reclassification of prior year errors on financial statements

General expenses and repairs and maintenance were reclassified due the adoption of the MSCOA. An amount of R4 998 750 was reclassified to Contracted Services. An amount of R9 859 032 was reclassified to Contracted Services from General Expenses.

An amount of R11 047 relates to correction of prior year salary related balances

Statement of Financial Position	Note	As previously reported	Correction of errors	Reclassification	Total
Receivables from exchange transactions	4	343,690	-	-	343,690
VAT Receivable	5	8,573,238	-	-	8,573,238
Trade and Other Receivables from Non Exchange Transactions	6	9,299,136	-	-	9,299,136
Cash and Cash Equivalents	7	169,217,390	-	-	169,217,390
Property , Plant and Equipment	2	319,159,021	-	-	319,159,021
Intangible Assets	3	1,119,914	-	-	1,119,914
<b>Total Assets</b>	<b>-</b>	<b>507,712,389</b>	<b>-</b>	<b>-</b>	<b>507,712,389</b>
Operating Lease Liability	10	(37,603)	-	-	(37,603)
Trade and Other Payables	11	(14,126,450)	11,043	-	(14,115,405)
Unspent Conditional Grants and Receipts	8	(5,412,742)	-	-	(5,412,742)
Current : Provisions	9	(3,924,613)	-	-	(3,924,613)
Non Current Provisions	9	(796,000)	-	-	(796,000)
Accumulated Surplus	-	(483,414,981)	(11,043)	-	(483,426,024)
<b>Total Assets</b>	<b>-</b>	<b>507,712,389</b>	<b>-</b>	<b>-</b>	<b>507,712,389</b>

Statement of financial performance	Note	As previously reported	Correction of errors	Reclassification	Total
Other Income	15	702,919	-	-	702,919
Interest Received - Investment	-	11,451,089	-	-	11,451,089
Property Rates	12	5,760,685	-	-	5,760,685
Government Grants & Subsidies	13	177,052,909	-	-	177,052,909
<b>Total Revenue</b>	<b>-</b>	<b>194,967,602</b>	<b>-</b>	<b>-</b>	<b>194,967,602</b>
Employee Related Costs	18	(39,454,327)	11,043	-	(39,443,284)
Remuneration of Councillors	19	(13,908,035)	-	-	(13,908,035)
Depreciation Amortisation and Impairment	21	(24,136,298)	-	-	(24,136,298)
Finance Cost	-	(82,000)	-	-	(82,000)

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

Debt Impairment	20	(448,791)	-	-	(448,791)
Repairs and Maintenance	-	(4,998,750)	-	4,998,750	-
Contracted Services	16	-	-	(14,857,782)	(14,857,782)
General Expenses	17	(54,081,772)	-	9,859,032	(44,222,740)
Loss on Disposal of Assets	-	(3,388,987)	-	-	(3,388,987)
<b>Surplus for the year</b>	<b>-</b>	<b>54,468,642</b>	<b>11,043</b>	<b>-</b>	<b>54,479,685</b>

### Cashflow Statement

	Note	As previously reported	Correction of errors	Total
Government Grants and subsidies	-	177,065,262	-	177,065,262
Cash Receipts from Customers	-	3,501,742	-	3,501,742
Interest Income	-	11,421,924	-	11,421,924
Finance Costs	-	(82,000)	-	(82,000)
Cash Paid to Suppliers and Employees	-	(101,523,946)	-	(101,523,946)
Purchase of Property, Plant and Equipment	2	(43,589,540)	-	(43,589,540)
Purchase of intangible assets	3	(742,278)	-	(742,278)
Proceeds from Sale of Assets	-	325,935	-	325,935
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>46,377,099</b>	<b>-</b>	<b>46,377,099</b>

### 28. Contingencies

Contingent Liabilities

Incidents.

The municipality has not completed any employee job evaluations as prescribed in terms of the Salary and wage collective agreement between SALGA, IMATU and SAMWU - 27 July 2012. As a result the municipality is unable to measure, with sufficient reliability, the amount of such obligation for both the 30 June 2018 and 30 June 2017 year-ends.

Some employees referred a dispute between themselves and the municipality to the labour court which related to their salaries. The estimated cost amounts to R520 000.00

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

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### 29. Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and rates debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

#### Financial instrument

Trade and other receivables from non exchange transactions (Rates)	12,645,548	9,299,136
Cash and Cash Equivalents	181,380,745	169,217,390

### 30. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 31. Additional disclosure in terms of Municipal Finance Management Act

#### Contribution to Local Government Associations

Current year subscription	555,520	500,000
Amount paid	-	(500,000)
	<b>555,520</b>	-

#### Audit fees

Current year fee	1,309,636	1,246,638
Amount paid - current year	(1,309,636)	(1,246,638)
	-	-

#### PAYE and UIF

Current year deductions	10,586,876	8,526,650
Amount paid	(10,586,876)	(8,526,650)
	-	-

#### Pension, Provident and Medical Aid Deductions

Current year	7,653,332	6,782,377
Amount paid	(7,653,332)	(6,782,377)
	-	-

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

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### 32. Multi employer retirement benefit

Umzumbe Local Municipality makes provision for retirement benefits to eligible councillors and employees, who belong to different pension schemes.

All full-time employees belong to the KwaZulu Natal Joint Municipal Pension Fund, which are made up by the Retirement, Superannuation and Provident Funds. Councillors have the option to belong to the Pension Fund for Municipal Councillors.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

- (i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.
- (ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- (iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation. For both the Superannuation and Retirement Funds valuations making use of the Discontinuance Method Approach have been included as well.

### DEFINED CONTRIBUTION SCHEMES

#### Municipal Councillors Pension Fund:

The scheme is subject to an actuarial valuation. The last statutory valuation was performed as at 30 June 2015.

The valuation performed revealed that at the valuation date, the fair value of the Fund's adjusted net assets amounted to R 2 551.9 million.

As reported by the Actuaries, the Fund was in a sound financial condition as at 30 June 2015, in that the assets of the Fund were sufficient to cover the accrued service liabilities including the recommended contingency reserves in full.

# Umzumbe Local Municipality

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

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### 33. Related Party Transactions

#### Related party balances

##### Purchases from related parties

Smakuhle General Trading	29,500	15,750
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Smakuhle General Trading - The company is owned by the sister of an employee (Municipal Driver) of Umzumbe Municipality.

#### Section 45 and 44 of SCM Regulations

##### Awards to suppliers in the service of state

As a result of the 2016/2017 audit, expenditure of R 145 770 (2017 - R 440 150) related to awards to suppliers in the service of the state. This was a result of false declarations submitted by the suppliers. This information came to the attention of the Municipality towards the finalisation of the 2016/17 audit in the current year.

##### Awards to business associates in service of state

As a result of the 2016/2017 audit, expenditure of R 236 922.50 (2017 - R 150 286) related to awards to business associates of persons in the service of the state. This was a result of false declarations submitted by the suppliers. This information came to the attention of the Municipality towards the finalisation of the 2016/17 audit in the current year.

### 34. Section 36 deviations

During the year the Accounting Officer approved minor breaches in terms of section 36 (1) (b) amounting to R4 654 553 (2017 - R2 295 202.72)

## 5.2 Grants

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Medium Term Income and Expenditure			
	Framework			
	2017/2018 budget	Original	2017/2018 Budget	Adjusted
<b>National Grants Allocations</b>				
Equitable share	119 488 000.00		119 488 000.00	
Municipal Systems Improvement Grant (MSIG)		-		-
Local Government Financial Management Grant (FMG)		1 825 000.00		1 825 000.00
Municipal Infrastructure Grant (MIG)		32 622 000.00		35 897 703.00
Disaster Management Grant		10 000 000.00		10 783 820.00
Integrated national Electrification Programme		9 000 000.00		10 149 655.00
Extended Public Works Programme		1 083 000.00		1 083 000.00
<b>Sub Total - National Grant Allocations</b>	<b>174 018 000.00</b>		<b>179 227 178.00</b>	
<b>Provincial Grants Allocations</b>				
Maintenance Grant - Sport Facilities		-		-
Project Consolidate		-		99 885.00
GIS Grant		-		7 985.00
Low Cost Housing		-		568 408.00
Tourism Grant/Ntelezi Msane		-		-
KZN Sports		-		524 774.00
Scheme Support Programme		-		-
Massification Programme Grant		-		2 002 159.00
<b>Sub Total - Provincial Grants Allocations</b>	<b>-</b>		<b>3 203 211.00</b>	
<b>TOTAL GRANT ALLOCATIONS</b>	<b>174 018 000.00</b>		<b>1820 389.00</b>	

## 5.3 Asset Management

### INTRODUCTION TO ASSET MANAGEMENT

Asset management forms an integral part in the municipality's ability to render service delivery.

Assets management falls under the Expenditure and Assets unit within finance department. The municipality has an asset management policy in place which also incorporates elements of GRAP. The municipality compiled the fixed assets register for the 2015/16 financial year in accordance with GRAP. This formed part of the process of the annual financial statements preparation.

Less repairs and maintenance was incurred than anticipated due to the well serviced and good condition of plant and equipment.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years.

Capital expenditure is funded from government grants.

### a. Capital Spending on 5 Largest Projects

Number	Project Name	Expenditure
1	Ntashana Bridge and Access Road	R16 229 603,24
2	Khathi access road	R3 046 097,82
3	Maqongo access road	R1 611 625,45
4	Guquka bridge	R1 315 167,99
5	Mpisane Access road	R2 049 888,50
6	Nkanini Sports Complex	R7 225 967,58

### b. Sources of Finance

GOVERNMENT GRANTS AND SUBSIDIES- ALLOCATION	Medium Term Income and Expenditure	
	Framework	
	2017/2018 budget	2017/2018 Original Budget
-		
<u>National Grants Allocations</u>		
Equitable share	119 488 000.00	119 488 000.00
Municipal Systems Improvement Grant (MSIG)	-	-
Local Government Financial Management Grant (FMG)	1 825 000.00	1 825 000.00
Municipal Infrastructure Grant (MIG)	32 622 000.00	35 897 703.00
Disaster Management Grant	10 000 000.00	10 783 820.00
Integrated national Electrification Programme	9 000 000.00	10 149 655.00
Extended Public Works Programme	1 083 000.00	1 083 000.00
<b>Sub Total - National Grant Allocations</b>	<b>174 018 000.00</b>	<b>179 227 178.00</b>

<u>Provincial Grants Allocations</u>		
<b>Maintenance Grant - Sport Facilities</b>	-	-
<b>Project Consolidate</b>	-	<b>99 885.00</b>
<b>GIS Grant</b>	-	<b>7 985.00</b>
<b>Low Cost Housing</b>	-	<b>568 408.00</b>
<b>Tourism Grant/Ntelezi Msane</b>	-	-
<b>KZN Sports</b>	-	<b>524 774.00</b>
<b>Scheme Support Programme</b>	-	-
<b>Massification Programme Grant</b>	-	<b>2 002 159.00</b>
<b>Sub Total - Provincial Grants Allocations</b>	-	<b>3 203 211.00</b>
<b>TOTAL GRANT ALLOCATIONS</b>	<b>174 018 000.00</b>	<b>182 430 389.00</b>

## **COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENT**

### **c. Cash Flow**

Cash flow management is the key to the sustainability of the municipality and its ability to provide services to the communities.

### **d. Borrowing and Investments**

Borrowings are utilized to fund service delivery infrastructure by obtaining loans from registered financial institutions. Investments are utilized to earn interest on surplus funds for the municipality and serves as a form of revenue. The municipality did not borrow funds during the year.

The municipality holds investments amounting to R9, 6 million. Interest is earned at competitive rates. The municipality does not have any borrowings.

### **e. Public Private Partnership**

No public private partnerships were entered into during the 2016/17 financial year.

## **COMPONENT D: OTHER FINANCIAL MATTERS**

### **f. Supply Chain Management**

The municipality is using SAGE Evolution which functions as an enterprise resource planning system. This system has assisted in the facilitating of procurement processes such as electronic requisitions and orders. Separate files were opened for each tender which contained details of the contractor, evaluation and adjudication reports, payments details etc. The municipality has functioning bid committees i.e. Bid Specifications, Bid Evaluation & Bid adjudication. The evaluation and adjudication of the tenders was done accordingly within the prescripts of SCM regulations.

### **g. GRAP Compliance**

As per section 122 and 126 of the MFMA, the municipality must for each financial year prepare annual financial statements which must be submitted by the 31 August to the Auditor General. The annual financial statement for the financial year 2017/2018 was compiled in terms of Generally Recognized Accounting Practice (GRAP) and was submitted by the 31 August deadline to the Auditor General.

## **6. CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS INTRODUCTION**

### **COMPONENT A: AUDITOR –GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 1**

#### **6.1 Auditor –General Reports Year – 1 (Previous Year)**

The municipality received a clean audit (unqualified audit with no other matters) for the previous financial year.

The report was tabled to council together with corrective measures to address the audit findings.

### **COMPONENT B: AUDITOR – GENERAL OPINION YEAR 0 (CURRENT YEAR)**

#### **6.2 Auditor General Report Year 0**

The Municipality received Unqualified Audit Opinion with matters from Auditor General of South Africa for 2017/18 financial year. The municipality has developed the action plan to address findings from the audit report.

#### **AUDITOR GENERAL REPORT**

Auditor-General of South Africa

**uMzumbe Municipality**  
**Audit report 2017-18**

# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on uMzumbe Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the uMzumbe Municipality set out on pages x to x, which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of uMzumbe Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Impairment of debtors

7. As disclosed in note 6 to the financial statements, the municipality recognised an impairment for bad debts of R3,16 million as the recoverability of these amounts was doubtful.

### Underspending of the budget

8. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R49,90 million on salary related costs, general expenses

and contracted services due to implementing strict cost cutting measures and re-prioritising certain projects.

## **Other matter**

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

### **Unaudited disclosure notes**

10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

## **Responsibilities of the accounting officer for the financial statements**

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

12. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or cease operations, or there is no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.

16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2018:

Development priority	Pages in the annual performance report
KPA 2 - Basic service delivery	x – x

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. The material findings in respect of the usefulness and reliability of the selected development priority are as follows:

#### **KPA 2 - Basic service delivery**

**Reported strategic objectives were not consistent when compared with the planned strategic objectives**

#### **To ensure environmental protection and sustainability**

20. The strategic objective approved in the integrated development plan was not documented. However, the objective reported in the annual performance report was changed to 'to ensure environmental protection and sustainability' without the necessary approval.

#### **Reported indicators were not consistent when compared with planned indicators**

##### **Various indicators**

21. The indicators listed below as per the approved planning documents were subsequently changed in the annual performance report without approval.

No.	INDICATOR AS PER SDBIP	INDICATOR AS PER APR	TARGET AS PER SDBIP
1	Number of new bridges constructed and number of KMs constructed	KM of new access road constructed	1 number of new bridge and 2km of new road (Ntatsana access road)
2	Number	Number of facilities provided with chairs and tables	Furnish the 5 community halls
3	Not in SDBIP	Date	Not in SDBIP
4	Not in SDBIP	Number	Not in SDBIP

No.	INDICATOR AS PER SDBIP	INDICATOR AS PER APR	TARGET AS PER SDBIP
5	Not in SDBIP	Number of sports fields	Not in SDBIP
6	Number of households constructed	Number of reports	50 Houses constructed (Nhlanguini)
7	Number of households constructed	Number of reports	300 Houses constructed (Cluster C phase 1)
8	Number of households constructed	Number of reports	Approval for construction (Cluster B Phase 2)
9	Number of households constructed	Number of reports	Approval for construction (Cluster A Phase 2)
10	Number of households constructed	Number of reports	Approval for construction (Cluster D Phase 2)
11	Number of households constructed	Number of reports	30 Units constructed (Operation Sukuma Sakhe Ward 12)

### Reported targets were not consistent when compared with planned targets

#### Various indicators

22. The targets listed below as per the approved planning documents were subsequently changed in the annual performance report without approval.

No.	INDICATOR AS PER APR	TARGET AS PER SDBIP	TARGET AS PER APR
1	Number of households connected	Mbiyana phase 1: 232 households connected	Mbiyana phase 1: 40 households connected
2	Date	Not in SDBIP	Park development: 1
3	Number	Not in SDBIP	Parks workshops: 1
4	Number of sports fields	Not in SDBIP	Sports fields maintenance
5	Number of reports	50 Houses constructed (Nhlanguini)	Reports on the construction of 50 Houses constructed (Nhlanguini)
6	Number of reports	300 Houses constructed (Cluster C phase 1)	Reports on the construction of 300 Houses constructed (Cluster C phase 1)
7	Number of reports	Approval for construction (Cluster B Phase 2)	Reports on Approval for construction (Cluster B Phase 2)
8	Number of reports	Approval for construction (Cluster A Phase 2)	Reports on Approval for construction (Cluster A Phase 2)
9	Number of reports	Approval for construction (Cluster D Phase 2)	Reports on Approval for construction (Cluster D Phase 2)
10	Number of reports	30 Units constructed (Operation Sukuma Sakhe Ward 12)	Reports on construction of 30 Units constructed (Operation Sukuma Sakhe Ward 12)

### Measures taken to improve performance not valid

#### Various indicators

23. The measures taken to improve performance against the targets were invalid. The reasons stated for failure to perform were not the correct reasons as per our assessment.

No.	INDICATOR	REASON FOR DEVIATION	MEASURES TAKEN TO IMPROVE PERFORMANCE	COMMENT
1	KMs of roads maintained	Target not met due to the initial contractor declining the appointment and the new contractor being appointed on 11 May 2018	Project to be completed on 11 December 2018 as per the contract	Upon inspection of the initial contract it was noted that the first contractor was appointed on 8 May 2018, which would have been too late to achieve the set target.
2	Number of facilities provided with chairs and tables	There was no budget allocated for this project with further omissions made during the budget adjustment	To budget on the 2018-19 financial year	Reasons could not be obtained for why the target was included in the SDBIP even though there was no budget for it.

### Reliability

#### Various indicators

24. The reported achievement in the annual performance report did not agree to the supporting evidence provided for the indicators listed below. The supporting evidence provided indicated that the achievements of these indicators was as follows:

No.	INDICATOR	TARGET	REPORTED ACHIEVEMENT	AUDITED VALUE
1	KMs of roads maintained	Gravelling and storm water: 8km	<ul style="list-style-type: none"> <li>1.5km of shaping completed</li> <li>Overall progress is 25% completed</li> </ul>	<ul style="list-style-type: none"> <li>Site establishment 100%</li> <li>Clear and grubbing 100%</li> <li>Roadbed preparation 100%</li> <li>Layerworks 50%</li> <li>Overall progress 25%</li> </ul>
2	Number of sports fields upgraded	Isibonini sports field: 1 sports field with retaining wall and concrete lined drain	Isibonini sports field completed	An approved variation order for August 2018 exists, meaning, the project is not yet complete as at 30 June 2018.
3	Percentage completion	Inkanini Indoor sports centre phase 2: Complete 100% building finishes and external work, electricity and wet services connected	Storm water drainage 90%	Storm water drainage 0%

#### Various indicators

25. The municipality did not have an adequate record-keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence which was provided, the achievement of these indicators differed from the reported achievement in the annual performance report. I was unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below:

No.	KPI MEASURE/INDICATOR AS PER APR	TARGET AS PER APR	REPORTED ACHIEVEMENT AS PER APR	AUDITED VALUE
1	Number of reports	Reports on the construction of 50 Houses Constructed (Nhlawini)	Target met: 4 reports submitted	Reports on the construction of 1000 houses constructed
2	Number of reports	Reports on the construction of 300 houses (Cluster C phase 1)	Target met: 4 reports submitted	Reports on the construction of 1000 houses constructed
3	Number of reports	Reports on approval for construction (Cluster B phase 2)	Target met: 4 reports submitted	No reports submitted
4	Number of reports	Reports on approval for construction (Cluster A phase 2)	Target met: 4 reports submitted	No reports submitted
5	Number of reports	Reports on approval for construction (Cluster D phase 2)	Target met: 4 reports submitted	No reports submitted
6	Number of reports	Reports on the construction of 30 units (Operation Sukuma Sakhe Ward 12)	Target met: 4 reports submitted	No reports submitted

## Other matters

26. I draw attention to the matters below.

### Achievement of planned targets

27. The annual performance report on pages x to x includes information on the achievement of planned targets for the year. This information should be considered in the context of the findings on the usefulness and reliability of the reported performance information in paragraphs 20 to 25 of this report.

### Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

30. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected development priority presented in the annual performance report that has been specifically reported in this auditor's report.

32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am requested to report that fact.

35. I have nothing to report in this regard.

### **Internal control deficiency**

36. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report included in this report.
38. Leadership did not exercise adequate oversight responsibility regarding performance reporting, as standard operating procedures to support performance reporting were not designed.
39. Management did not ensure that regular, accurate and complete performance reports were prepared which were supported and evidenced by reliable information.

### **Other report**

40. I draw attention to the following engagement conducted by various parties that could have an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
41. At the request of the uMzumbe municipal council, the Cogta MEC has authorised a forensic investigation into the affairs of the uMzumbe municipal council in terms of section 106 of the Municipal Systems Act. The investigation will focus on alleged fraud, corruption and maladministration within the municipality.

*Auditor-General*

Pietermaritzburg

14 December 2018



AUDITOR-GENERAL  
SOUTH AFRICA

Auditing to build public confidence

## **Corrective Action Plan**

Signed (Chief Financial Officer)

A handwritten signature in black ink, appearing to read 'B' or 'B. J. S.', enclosed within a roughly circular outline.

Dated.....31 January 2019

## Glossary

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give " <i>full and regular</i> " reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe " <i>what we do</i> ".
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<p>Service delivery &amp; infrastructure</p> <p>Economic development</p> <p>Municipal transformation and institutional development</p> <p>Financial viability and management</p> <p>Good governance and community participation</p>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	<p>Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to</p> <p>which an output has been achieved (policy developed, presentation delivered, service rendered)</p>
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by

	describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>
<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
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<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	Service delivery & infrastructure Local Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an

	institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

	<p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>
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## Appendices

### Appendix A - Councillors; Committee Allocation and Council Attendance (Before 03 August 2018)

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
				%	%
Cllr D K Msomi	PT	LLF/Community Services-ANC	Ward 1	0	0
Cllr C S Ngwabe	PT	Housing-Independent	Ward 2	0	0
Cllr M R Mqadi	PT	Housing-ANC	Ward 3	100	0
Cllr S P Maluleka	PT	Planning-ANC	Ward 4	100	0
Cllr S T Gumede	FT	EXCO/FBCC-ANC	Ward 5	75	25
Cllr S E Radebe	PT	LED-ANC	Ward 6	0	0
Cllr T L Peters	PT	Housing-ANC	Ward 7	0	0
Cllr M J Mkhize	PT	MPAC/LED-ANC	Ward 9	100	0
Cllr N E Mhlangu	PT	FBCC/Youths-ANC	Ward 11	100	0
Cllr P A Hlongwa	PT	Community Services-ANC	Ward 17	100	0
Cllr IB Mbhele	PT	FBCC-ANC	Party represented	100	0
Cllr M C Hlongwa	PT	FBCC-NFP	Party represented	0	0
Cllr T S Khuzwayo	PT	Planning-NFP	Party represented	0	0
Cllr S Lushaba	PT	MPAC/LED-NFP	Party represented	0	0
Cllr L M R Ngcobo	PT	Community Services-DA	Party represented	0	0
Cllr EB Qumbisa	PT	Planning	Party represented	100	0
Cllr KS Doncabe	PT	Community Services	Party represented	0	0

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
				%	%
Cllr N Caluza	PT	Community Services-ANC	Party represented	100	0
Cllr B N Shozi	PT	LED-NFP	Party represented	100	0
Cllr M Ndlovu	FT	Youth/Recess Planning/EXCO-NFP	Party represented	0	0
Cllr Y L Duma	FT	FBCC/EXCO-NFP	Party represented	100	0

Note: \* Councillors appointed on a proportional basis do not have wards allocated to them

### Newly Inaugurated on 03 August 2016

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
				%	%
Cllr S R Ngcobo	FT	EXCO- Finance committee	Party represented	75	25
Cllr M P Shozi	FT	Ex officio/ Council ANC	Party represented	83	17
Cllr M P L Zungu	FT	EXCO/ Human Settlements	Ward 15	83	17
Cllr N Y Mweshe	FT	EXCO/ Corporate Services	Party represented	100	0
Cllr M Z Luthuli	FT	EXCO/ Planning & LED ANC	Party represented	83	17
Cllr C L Shezi	PT	Soc & Com Serve- ANC	Ward 1	100	0
Cllr DDB Dlamini	PT	Human Settlements ANC	Ward 2	100	0
Cllr Z Sithole	PT	Soc & Com Serve- ANC	Ward 3	90	10
Cllr HZ Ndimande	PT	LLF- ANC	Ward 4	82	18
Cllr OT Luthuli	PT	Corporate Services-	Ward 5	90	10
Cllr NE Xaba	PT	Finance- ANC	Ward 6	82	18

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
				%	%
Cllr TC Myende	PT	Finance- IFP	Party represented	82	18
Cllr JP Mtambo	PT	MPAC- ANC	Ward 7	82	18
Cllr P Zamisa	FT	EXCO/ Soc & Con Serve- ANC	Ward 12	82	18
Cllr SR Cele	PT	Human Settlements ANC	Ward 13	100	0
Cllr MS Mdletshe	FT	EXCO/ Youth -ANC	Ward 14	55	45
Cllr BB Luthuli (Female)	FT	EXCO/ Planning & LED IFP	Party represented	100	0
Cllr BB Luthuli (male)	PT	Youth- ANC	Ward 16	100	0
Cllr D Z Shozi	PT	Planning & LED- ANC	Ward 18	73	27
Cllr A E Zindela	PT	Planning & LED- ANC	Ward 19	82	18
Cllr BT Mfeka	PT	LLF/ Planning & LED ANC	Ward 20	100	0
Cllr ZC Cele/ S Ngubane	PT	Planning & LED- APC	Party represented	82	18
Cllr TJ Radebe	PT	Finance- DA	Party represented	64	36
Cllr WN Hlophe	PT	EFF	Party represented	90	10
Cllr RSW Khanyile	PT	Human Settlements- IFP	Party represented	73	27
Cllr PL Habile	PT	Youth- ANC	Party represented	82	18
Cllr EB Dlamini	PT	MPAC- IFP	Party represented	64	36
Cllr ZZ Msani	PT	Youth- IFP	Party represented	50	50
Cllr LN Duma	PT	Corporate Services- IFP	Party represented	82	18
Cllr TM Mbayi	PT	MPAC- ANC	Party represented	50	50
Cllr SM Jeza	PT	Corporate Services ANC	Party represented	100	0

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
				%	%
Clr M A Sikhosana	PT	Planning & LED/ Corp Services- ANC	Party represented	100	0
Cllr SG Nzimande	PT	Soc and Com Serve Youth – ANC	Party represented	100	0
Cllr BM Madwe	PT	Human Settlements ANC	Party represented	90	10

*Note: \* Councilors appointed on a proportional basis do not have wards allocated to them*

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## Appendix B – Committees and Committee Purposes

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
<b>MPAC</b>	Help Council to hold executive and the municipal administration to account and ensure the efficient and effective use of municipal resources.
<b>Council</b>	Adoption of policies, strategies, plans and by laws. Council play oversight role on implementation of resolutions taken. Hold the municipal manager accountable for all actions taken. Responsible for employment of section 54 and 56 employees
<b>EXCO</b>	Ensures that the municipality; Provides democratic and accountable government for the community of Umzumbe. Promotes social and economic development Promotes health and safety environment. Provides services in a sustainable manner to the community of Umzumbe. Ensures that administration, budgeting and planning process of the municipality meet the requirements of Section 153 (a) of the Constitutions. Oversees the execution of national and provincial functions performed by municipality in accordance with funds provided by relevant government. It comprises of seven Councilors including the Mayor and Deputy Mayor. It reviews and identifies community needs in order of priority. Managing the drafting of IDP, Budget and SDBIP and submit to full Council for adoption.
<b>Community Services</b>	The object of the Community Services Committee is to assist the Executive committee to promote a healthy environment by; Advising on legislation, prevention and enforcement mechanisms which are within the financial and administrative capacity of the municipality; Overseeing the enforcement of municipal bylaws and other applicable laws by municipal employees and functionaries in order to ensure that municipal employees and functionaries involved in law enforcement are accountable to a democratically elected body;

	<p>Overseeing certain municipal services, including health, cultural cleansing and maintenance services; and</p> <p>To pay attention to educational and welfare services in general as they apply to the entire municipality.</p>
<b>Development Planning &amp; LED</b>	<p><b>Objectives</b></p> <p>Encourage the involvement of the entire municipal community, its bodies; stakeholders and institutions in matter of local government.</p> <p>Participate in National and Provincial programmes</p> <p>Promote the implementation of Integrated Development Plan (IDP)</p> <p>Consider reports to EXCO for preparations of Land Use Management Plan, subdivisions of land; PMS Etc.</p> <p>Planning Committee may consider all matters of a policy nature.</p> <p>Promotes the implementation of LED and IDP.</p> <p>Assists in providing funding for local business services centres.</p> <p>Promotes local economic development programmes.</p> <p>Oversees rendering of services in historically disadvantaged areas.</p> <p>Consults with traditional Leaders on matters of the economic development.</p> <p>Report to EXCO.</p> <p>Consist of seven members</p>
<b>Human Settlements Infrastructure</b>	8 Municipality is in the process of developing terms of reference
<b>FBCC</b>	<p>Has two departments reporting to it i.e. Finance and Corporate Services.</p> <p>Administers the capital and operational budget of the municipality.</p> <p>Advises the EXCO on all legislation relating to billing, rating and taxation; insurance, banking and investments; grants in aid etc.</p> <p>Oversees Financial Statements, general financial reporting;</p> <p>Advises EXCO on obtaining proper legal services for the municipality; acquisition and provision of municipal office; implementation and maintenance of an approved maintenance system.</p> <p>Comprises of seven members.</p>
<b>Youth Committee</b>	Municipality is in the process of developing terms of reference
<b>LLF</b>	As per SALGA Bargaining Council

## Appendix C – Third Tier Administrative Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager's Office	Ms. N.C. Mgijima
Financial Services	Mr. K. Audan
Corporate Services	Mr. B.G. Nyuswa
Technical Services	Vacant Post
Social Development and Community Services	Vacant Post

## Appendix D – Functions of Municipality /Entity Municipal / Entity Functions

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No (District Function)	N/A
Building regulations	Yes	N/A
Child care facilities	Yes	N/A
Electricity and gas reticulation	No (ESKOM Function)	N/A
Firefighting services	Yes (Shared Services)	N/A
Local tourism	Yes (Shared Services)	N/A
Municipal airports	No (District Function)	N/A
Municipal planning	Yes	N/A
Municipal health services	No	N/A
Municipal public transport	No (District Function)	N/A

Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	N/A
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes	N/A
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No (District Function)	N/A
Beaches and amusement facilities	Yes	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlours and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	Yes	N/A
Licensing of dogs	No	N/A
Licensing and control of undertakings that sell food to the public	Yes	N/A
Local amenities	Yes	N/A
Local sport facilities	Yes	N/A
Markets	Yes (Shared Services)	N/A
Municipal abattoirs	Yes (Shared Services)	N/A
Municipal parks and recreation	Yes	N/A

Municipal roads	Yes	N/A
Noise pollution	Yes	N/A
Pounds	No	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes (Shared Services)	N/A
Street trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		TD

#### Appendix E – Ward Reporting

(Before 03 August 2017)

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members		Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr D K Msomi		yes	10		Nil
	Mkhungo	Sindi				
	Cele	Pretty				
	Ngwazi	Joshua				
	Ndimande	Mkhanyiseni				
	Ngcobo	Nomvume				
	Cele	Squnga				
	Zamisa	Melzina				
	Zondo	Mthethi				
	B E	Dlamini				
	Khwela	Gladys				
2	Cllr C S Ngwabe		yes	10	10	Nil
	Cele	Sabelo				
	Lushaba	Nomusa				
	Ngwabe	Nomcebo				

	Shabane	Mndeni				
	Dlamini	Robert				TE
	Lukhozi	Stanford				
	Shabane	Maswazi				
	Faya	Nobuhle				
	Cele	Nomfundo				
	Madlala	Mandisa				
3	Cllr M R Mqadi		yes	10	10	Nil
	Mncibi	Ayanda				
	Mthembu	Buyisile				
	Dlamini	Sipho				
	Sbusiso	Dlungwana				
	Nkontwana	Vuyelwa				
	Nxele	Nonkanyiso				
	Majola	Simon				
	Makhoba	Nozipho				
	Mthembu	Mzwakhe				
	Dlungwana	Mzomuhle				
4	Cllr S P Maluleka		yes	10	10	Nil
	Dlamini	Moses				
	Nxumalo	Proffessor				
	Msomi	Nonkazimulo				
	Ndlovu	Samuel				
	Ngcobo	Qinisile				
	Phungula	Nomusa				
	Ngubane	Patric				
	Lushaba	Petros				
	Mchunu	Noxolo				
	Dlamini	Mthunzi				
5	Cllr S T Gumede		yes	10	10	Nil
	Mthethwa	Nonhlanhla				
	Luthuli	Ncamsile				
	Cele	Zandile				
	Mdabe	Mduduzi				
	Nzama	Busisiwe				
	Khomo	Ntombizodwa				
	Gasa	Gerald				
	Mbhele	Thembisile				
	Mhlongo	Thulisile				
	Hlongwa	Dakaza				
6	Cllr S E Radebe		yes	10	10	Nil
	Mboma	William				

	Shezi	Zwelonke				
	Mncibi	Nokuthula				
	Dlamini	Mathi				
	Mbhele	Nqobile				
	Mthimkhulu	Sandile				
	Dlamini	Bazibile				
	Mhlungu	Zibonele				
	Mbhele	Sandile				
	Gumbi	Zandile				
7	Cllr T L Peters		yes	10	10	Nil
	Ngcobo	Nokubonga				
	Nzama	Sfiso				
	Ngubo	Nonceba				
	Nkontwana	Gabisile				
	Caluza	Sphamandla				
	Mkhwanazi	Nofading				
	Sishi	Zwanani				
	Dlamini	Philisiwe				
	Mntambo	Nompumelo				
8	Cllr P Mntambo		yes	10	10	Nil
	Luthuli	Zethu				
	Dlamini	Thulisile				
	Mkhize	Phumzile				
	Cele	Sphiwe				
	Shezi	Stephan				
	Biyase	Mandlenkosi				
	Dingila	Makhosazana				
	Khumalo	Sizwe				
	Ngcobo	Bhekinkosi				
	Chamane	Bhekanzama				
9	Cllr M J Mkhize		yes	10	10	Nil
	Gumede	Zola				
	Mjwara	Lindiwe				
	Mkhize	Bheko				
	Mchunu	Fikile				
	Hlongwa	Shloniphiwe				
	Hlongwane	Qobizitha				
	Mnganga	Sandile				
	Dlamini	Lucia				
	Cele	Lungisani				
10	Cllr T M Mbayi		yes	10	10	Nil
	Gambushe	Zodwa				

	Doncabe	Vukuthu				
	Phewa	Thembanzi				
	Gasa	Ziph				
	Gumede	Zwelisha				
	Blankenberg	Terry				
	Makhathini	Dudu				
	Shazi	Sizani				
	Khomo	Philip				
	Nzimande	Msawenkosi				
11	Cllr N E Mhlangu	yes	10	10	Nil	
	Mkhize	Thumanzi				
	Zama	Sandile				
	Gumede	Thobeleni				
	Gumede	Mduduzi				
	Shozi	Thobisile				
	Ndlovu	Ntombifuthi				
	Gumede	Dolly				
	Duma	Ayanda				
	Nyuswa	Thandazile				
12	Cllr P Zamisa	yes	10	10	Nil	
	Mnguni	Petros				
	Mthimkhulu	Fisani				
	Mtolo	Mavis				
	Khumalo	Bonosiwe				
	Doyisa	Japhet				
	Shozi	Nomathemba				
	Ngidi	Bhekizwe				
	Sawoni	Celiwe				
	Shazi	Sphelele				
	Mnguni	Isaac				
13	Cllr S R Cele	yes	10	10	Nil	
	Ngcobo	Gugu				
	Khawula	Bonakele				
	Jeza	Lungisa				
	Nyuswa	Nkosinathi				
	Nyuswa	Bongiwe				
	Duma	Dumsani				
	Mjoka	Fakazile				
	Mkhungo	Philisile				
	Mnguni	Phumlile				
	Chili	Mthobisi				
14	Cllr M S Mdletshe	yes	10	10	Nil	

	Shozi	Clementia				
	Shinga	Beauty				
	Doncabe	Philisiwe				
	Gumede	Johana				
	Meleni	Bhengu				
	Mlitwa	Pinky				
	Msimango	Msawenkoski				
	Gumede	Syabonga				
	Mbele	Philisiwe				
	Madlala	Zandile				
15	Cllr M P L Zungu		yes	10	10	Nil
	Khawula	Thoko				
	Shezi	Ntombikhona				
	Mbayi	Sibusiso				
	Shabane	Robert				
	Gambushe	Bhoyi				
	Msani	Sindi				
	Gumede	Khanyisile				
	Shabane	Egnes				
	Ngcece	Shadrack				
	Cele	Siyakhula				
16	Cllr M Z Luthuli		yes	10	10	Nil
	Gumede	Nomusa				
	Mhlongo	Sindi				
	Lindiwe	Khumalo				
	Ngcobo	Bongani				
	Shozi	Bhekuyise				
	Zwane	Sbongile				
	Khuluse	Nontokozo				
	Mlita	Bheki				
	Msimango	Duduzile				
	Khambule	Dudu				
17	Cllr P A Hlongwa		yes	10	10	Nil
	Vumeleni	Shazi				
	Hlongwane	Philisiwe				
	Malunga	Nonhlanhla				
	Sengane	Bheki				
	Mkhize	Richard				
	Myende	Lindiwe				
	Nguse	Ntokozo				
	Jeza	Ntokoza				
	Mkhize	Sipho				

	Khwela	Winnie				
18	Cllr O J Mbambo		yes	10	10	Nil
	Dlamini	Thulani				
	Zamisa	Thulani				
	Nxumalo	Bhekani				
	Nokulunga	Shinga				
	Luthuli	Dphney				
	Hadebe	Thandazile				
	Mchunu	Philani				
	Nyawo	Thoza				
	Luthuli	Xolisile				
	Msomi	Albert				
19	Cllr A E Zindela		yes	10	10	Nil
	Chiliza	Gesi				
	Mlotshwa	Sakhephi				
	Jeza	Robert				
	Nzama	Nhlanhla				
	Mkhize	Ntokozo				
	Xulu	Bonginkosi				
	Duma	Nonhlanhla				
	Khomo	Doris				
	Jeza	Thuthukani				
	Mkhize	Amos				

#### New Ward Committee after Inaugurated on 03 August 2016

Functionality of Ward Committees						
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members		Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Cllr C L Shezi		yes			
	Mbhele	Balindile				
	Khuzwayo	Siqalo				
	Mbhutho	Zikhona				
	Ngwazi	Mvikelwa				
	Cele	Ntombizodwa				

	Cele	Hlengiwe				
	Khuzwayo	Gideon				
	Nkosibonile	Shazi				
	Gumbi	Sihle				
	Cele	Thembeni				
2	Cllr D D B Dlamini		yes			
	Shezi	Slindile				
	Mteshana	Bonanakahle				
	Dlamini	Mathi				
	Mhlungu	Zibonele				
	Ngwazi	Zwelakhe				TE
	Shazi	Tholakele				
	Mbhele	Nomusa				
	Phungula	Thembinkosi				
	Mthimkhulu	Sanelisiwe				
	Mncwabe	Doreen				
3	Cllr Z Sithole		yes			
	Cele	Snegugu				
	Dlamini	Slindile				
	Gumbi	Sbusiso				
	Mjikelwa	Dlulisa				
	Sikhosana	Xolani				
	Dlamini	Khanyisile				
	Cele	Bongi				
	Dlulisa	Hlengiwe				
	Mkhize	Phindile				
	Cele	Nonjabulo				
4	Cllr H Z Ndimande		yes			Nil
	Msomi	Phindile				
	Nxele	Nonkanyiso				
	Mthembu	Buyisile				
	Mthembu	Bhekindawo				
	Dlamini	Lastboy				
	Msomi	Mthokozisi				
	Mqadi	Nomlindelo				
	Ngwazi	Pinky				
	Shabane	Fikelephi				
	Mthembu	Claudia				
	Mgwaba	Qinisela				
5	Cllr O T Luthuli		yes	10	10	Nil
	Dlamini	Bhekumuzi				

	Gasa	Gerald				
	Hlongwa	Dakaza				
	Khuzwayo	Linda				
	Chiya	Sphamandla				
	Mthethwa	Nonhlanhla				
	Khomo	Ndumiso				
	Nzama	Busisiwe				
	Ngcobo	Sthembiso				
	Chiliza	Mxolisi				
6	Cllr N E Xaba		yes	10	10	Nil
	Nkontwana	Gabisile				
	Luthuli	Zakhele				
	Bhengu	Mthokozisi				
	Nkomo	Zibuyile				
	Radebe	Sphumelele				
	Mshengu	Sbusiso				
	Mbeje	Phumelele				
	Peters	Nokwanda				
	Ngongoma	Thembisile				
	Mkhize	Nombuso				
7	Cllr J P Mntambo		yes	10	10	Nil
	Mvuyane	Dephney				
	Cibane	Thina				
	Chiliza	Thandeka				
	Mkhize	Dumisani				
	Luthuli	Nombuso				
	Khambule	Lindelani				
	Gombela	Syanda				
	Cele	Siphiwe				
	Madiba	Sbonelo				
	Biyase	Mandlenkosi				
8	Cllr L S Cele		yes			Nil
	Jwara	Lindiwe				
	Dlamini	Lucia				
	Mkhize	Scelo				
	Shezi	Nomusa				
	Mkhize	Bhekohlulwayo				
	Mnguni	Agrippa				
	Hlongwa	Shlonipheni				
	Mnganga	Sandile				
	Mthethwa	Robert				

	Mkhiza	Sisindile			
9	Cllr S Z Zama		yes		Nil
	Ngcobo	Vumani			
	Mkhize	Thumani			
	Shinga	Dudu			
	Mjwara	Nombuso			
	Shezi	Ntombikhona			
	Mngadi	Makhosazana			
	Kunene	Thulile			
	Mngadi	Thandanani			
	Gumede	Mduduza			
	Nyuswa	Thandazile			
10	Cllr M.M.Mfecane		yes	10	10
	Chiliza	Jabu			
	Mkhize	Thokozani			
	Ngcobo	Thobani			
	Shozi	Themba			
	Zuma	Thandiwe			
	Doncabe	Patricia			
	Cele	Sbahle			
	Nene	Phumokwakhe			
	Shabalala	Nkosinathi			
	Qalani	Thembelihle			
11	Cllr O J Mbambo		yes	10	10
	Chiliza	Bongiwe			
	Sengani	Mfanifikile			
	Cele	Themba			
	Mtambo	Martin			
	Gambushe	Zodwa			
	Dlungele	Hlekisile			
	Msomi	Bongumusa			
	Khuzwayo	Joshua			
	Gumede	Sithembile			
	Nyawo	Thoza			
12	Cllr P Zamisa		yes		Nil
	Mtambo	Bongani			
	Ngcongo	Thulani			
	Ngcobo	Sandile			
	Khomo	Samukelisiwe			
	Mhlungu	Sakhile			
	Gumede	Dolly			

	Nzama	Nivard				
	Shinga	Phumelele				
	Madlala	Beatrice				
	Khuzwayo	Mzamo				
13	Cllr S R Cele		yes	10	10	Nil
	Duma	Dumsani				
	Mkhungo	Philisiwe				
	Gumede	Ntombifuthi				
	Jeza	Lindiwe				
	Nyuswa	Sfiso				
	Mjoka	Zincenge				
	Mseleku	Constance				
	Mnguni	Ziningi				
	Mnguni	Phumla				
	Doncabe	Khombisile				
14	Cllr M S Mdletshe		yes	10	10	Nil
	Gumede	Prince				
	Shinga	Beauty				
	Doncabe	Philisiwe				
	Shinga	Sebenzile				
	Bhengu	Meleni				
	Khawula	Mlandelwa				
	Blose	Zodwa				
	Gumede	Sandile				
	Mqadi	Cicelia				
	Shozi	Clemencia				
15	Cllr M P L Zungu		yes	10	10	Nil
	Mvubu	Nontuthuko				
	Cele	Andile				
	Mbayi	Sibusiso				
	Hlongwa	Sabathile				
	Shabane	Skhumbuzo				
	Khawula	Thoko				
	Gumede	Jabulani				
	Shabalalaa	Ntombifuthi				
	Shabane	Robert				
	Dlungele	Gloria				
16	Cllr B B Luthuli		yes	10	10	Nil
	Gumede	Phetheni				
	Ngcobo	Lindiwe				

	Shazi	Nomfundo			
	Ngcobo	Bongani			
	Khambule	Dudu			
	Nkomo	Nkosi			
	Njilo	Nombuso			
	Ngcobo	Mzwenhlanhla			
	Zuma	Goodwill			
	Mlita	Ephraim			
17	Cllr P L Habile		yes	10	10
	Dayi	Nkululeko			
	Mzelemu	Thamsaqa			
	Gumbi	Nondumiso			
	Mzobe	Bongumusa			
	Gqada	Ntombentle			
	Mkhungo	Zanele			
	Chiya	Alpheus			
	Zulu	Zakithi			
	Mkhize	Sipho			
18	Cllr D Z Shozi		yes	10	10
	Mchunu	Philani			
	Ngcobo	Mxolisi			
	Shebi	Ziningi			
	Mzobe	Bongumusa			
	Ngcobo	Friedah			
	Dlamini	Lindiwe			
	Mahlangu	Simon			
	Yalo	Mavis			
	Luthuli	Avele			
	Luthuli	May			
19	Cllr A E Zindela		yes	10	10
	Zindela	Thembi			
	Zulu	Bongiwe			
	Ngomane	Themba			
	Gumede	Syanda			
	Duma	Samuel			
	Shabane	Nosipho			
	Vilakazi	Bongiwe			
	Duma	Phumzile			
	Mjweni	Isaac			
	Khomo	Sibonelo			
20	Cllr B T Mfeka				

	Shange	James				
	Phehlukwayo	Khumbulani				
	Ndabeni	Fikile				
	Sengane	Bheki				
	Cele	Slindile				
	Mbambo	Zama				
	Shinga	Nokulunga				
	Mbutho	Sakhile				
	Shazi	Thembeka				
	Ndlovu	Sthembiso				

#### Appendix F – Recommendations of the Municipal Audit Committee Year 0

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (ente Yes) If
28 September 2016	Refer to Appendix G	Yes
3 November 2016	Refer to Appendix G	Yes
8 December 2016	Refer to Appendix G	Yes
31 March 2017	Refer to Appendix G	Yes

## Appendix G: Audit Committee Meetings

Audit Committee Meetings and Performance Audit Committee Meetings held in the 2017/18 financial period.

Date	Type of meeting and Item	Resolution
22 August 2017	Audit Committee meeting	<p>Supply Chain Management Review - Audit Committee will require an updated report after the management and internal audit have found common grounds in some reported issues. That if there is a fruitless and wasteful expenditure, unauthorized expenditure or irregular expenditure, the management must act in those issues before the 30<sup>th</sup> of June 2016 and make sure that Annual Financial Statements do not reflect these reported issues as they will have impact in the clean audit.</p> <p>Section 71 Report - be noted.</p> <p>Status report – that the Audit Committee reports and PMS reports be tabled in one meeting, however, two separate agendas be prepared.</p>
28 September 2017	Audit Committee meeting	<p>Human Resource and Payroll Review - be approved.</p> <p>Section 71 Report - be noted.</p> <p>Internal Audit Plan - be approved the Methodology and requested the Manager: Internal Audit to resubmit the Internal Audit Plan for consideration.</p> <p>Internal Audit Charter &amp; Audit Committee Charter - be approved the Internal Audit Charter and recommend the External Audit Charter be</p>

Date	Type of meeting and Item	Resolution
		forwarded to the Council for approval.
03 November 2017	Audit Committee meeting	<p>Management and Audit Report – be noted.</p> <p>Risk Assessment report - be noted.</p> <p>Status on IA Plan – be noted and approved.</p> <p>That Manager: Internal Audit to include Section 36 and Irregular Register as a standing item as from the next agenda.</p>
	Performance Audit Committee	
08 December 2017	Performance Audit Committee meeting	<p>Annual report and Oversight Report – both reports be noted.</p> <p>Mid-Year Performance Assessment report – be noted.</p>

<b>Date</b>	<b>Type of meeting and Item</b>	<b>Resolution</b>
31 March 2018	Audit Committee meeting	Internal Audit Reports: IT General Controls – be approved  Internal Audit Reports: Assets Management – be approved  Section 71 Report - be approved.  Section 36 Report – be approved  Status of the Audit Plan – be noted and approved
	Performance Audit Committee	
29 June 2018	Audit Committee meeting	Section 71 Report - be approved  Section 36 Report – be approved  Status of the Audit Plan – be noted and approved mSCOA readiness report – be noted  Investigation outcome of Vumesa (PTY) Ltd report dated 18 August 2016 - the report be given to the Manager: Internal Audit then make a copy for the Mayor. The Manager: Internal Audit to bring other information, if there is, to support the finding raised on Vumesa (PTY) Ltd if she still feels that there finding should remain in the SCM report. The Manager: Internal Audit be welcomed to bring back the report to the Audit Committee.

<b>Date</b>	<b>Type of meeting and Item</b>	<b>Resolution</b>
29 June 2017	Performance Audit Committee meeting	<p>Integrated Development Plan 2018-2022 – be noted.</p> <p>Service Delivery and Budget Implementation Plan – be noted.</p> <p>Dashboard (AGSA) – be noted</p>

## **Recommendations and Report From Audit Committee**

**Umzumbe Oversight Report 2017/18**